

Snow, Anne E

From: Wentzell, Doug
Sent: October-02-18 1:20 PM
To: Stringer, Kevin
Subject: RE: Meeting

Thanks Kevin.

Doug

Doug Wentzell

Associate Regional Director General, Maritimes Region
Fisheries and Oceans Canada | Government of Canada
Doug.Wentzell@dfo-mpo.gc.ca | Telephone: 902-426-2250 | Facsimile: 902-426-2706

Directeur général régional associé, Région des Maritimes
Pêches et Océans Canada | Gouvernement du Canada
Doug.Wentzell@dfo-mpo.gc.ca | Téléphone: 902-426-2250 | Télécopieur: 902-426-2706

From: Stringer, Kevin
Sent: Tuesday, October 2, 2018 1:19 PM
To: Lapointe, Sylvie <Sylvie.Lapointe@dfo-mpo.gc.ca>; Burns, Adam <Adam.Burns@dfo-mpo.gc.ca>; Valkenier, Mary-Ellen <Mary-Ellen.Valkenier@dfo-mpo.gc.ca>; Wentzell, Doug <Doug.Wentzell@dfo-mpo.gc.ca>
Subject: FW: Meeting

FYI

KS

From: Stringer, Kevin
Sent: Tuesday, October 2, 2018 12:18 PM
To: [REDACTED]
Cc: Longtin, Jean <Jean.Longtin@dfo-mpo.gc.ca>
Subject: RE: Meeting

I think that can work. Copying Jean from my office who can find some time that works for both of us.

Thanks

Kevin Stringer

s.19(1)

From: [REDACTED]
Sent: Tuesday, October 2, 2018 11:31 AM

To: Stringer, Kevin <Kevin.Stringer@dfo-mpo.gc.ca>
Subject: Re: Meeting

Do you have any availability the week of October 22nd?

Best Regards,



Premium Seafoods Group

On Oct 2, 2018, at 9:29 AM, Stringer, Kevin <Kevin.Stringer@dfo-mpo.gc.ca> wrote:

Sorry about that delay. Looks like I will not be getting to Nova Scotia in the near term afterall. Happy to book a quick discussion with you to see when we could set something up.

Is there a number when I can reach you today or this week?

Thanks

Kevin Stringer

From: [REDACTED]
Sent: Tuesday, September 18, 2018 11:03 AM
To: Stringer, Kevin <Kevin.Stringer@dfo-mpo.gc.ca>
Cc: [REDACTED]
Subject: RE: Meeting

Good morning Mr. Stringer,
Do you have a better idea of when you will be in Nova Scotia?
Regards,

From: [REDACTED]
Sent: September 12, 2018 11:44 AM
To: Stringer, Kevin
Cc: [REDACTED]
Subject: Re: Meeting

Thanks

On Sep 12, 2018, at 10:52 AM, Stringer, Kevin <Kevin.Stringer@dfo-mpo.gc.ca> wrote:

Will get back to you as soon as I know.

Thanks

s.19(1)

Kevin Stringer

From: [REDACTED]
Sent: Monday, September 10, 2018 1:12 PM
To: Stringer, Kevin <Kevin.Stringer@dfo-mpo.gc.ca>
Cc: [REDACTED]
Subject: Re: Meeting

Thanks for the response and the offer to meet in Nova Scotia. Do you have a date or dates in mind?

[REDACTED]
Premium Seafoods
[REDACTED]

On Sep 7, 2018, at 10:22 AM, Stringer, Kevin <Kevin.Stringer@dfo-mpo.gc.ca> wrote:

Thanks for reaching out and offering to travel to Ottawa. With respect to a discussion on Arctic surf clam, I must advise you that I will not be in a position to share detailed information as it relates to the cancellation of the process, given that the Minister's decision was based on confidential exchanges with the proponent – the Five Nations Clam Company. I am hoping to be in Nova Scotia sometime over the coming weeks and would be pleased to meet with you then. Alternatively, if you are in Ottawa, I can make myself available.

Regards,

Kevin Stringer

From: [REDACTED]
Sent: Friday, August 31, 2018 8:32 AM
To: Stringer, Kevin <Kevin.Stringer@dfo-mpo.gc.ca>
Subject: Meeting

Good morning Mr. Stringer.

[REDACTED] Premium Seafoods Ltd., located in Arichat Nova Scotia, [REDACTED] is requesting a meeting with you in September, if at all possible, to discuss a number of issues including the cancellation of the surf clam license. We are prepared to travel to Ottawa for the meeting.

Thank you in advance for your prompt response to this request.

Best Regards,

[REDACTED]
<image001.jpg>

s.19(1)

Bilmer, Angela

From: Jarjour, Jasmine
Sent: October-10-18 2:50 PM
To: Bilmer, Angela
Subject: RE: *JAZ* 2018-001-01646 For DMO approval - Min G Byrne Arctic surf clam

Thanks Ang – I've looked at it and it seems fine. It's in with Zoe.

From: Bilmer, Angela
Sent: October-10-18 2:29 PM
To: Jarjour, Jasmine
Subject: *JAZ* 2018-001-01646 For DMO approval - Min G Byrne Arctic surf clam

FYI

From: Valerio, Michael
Sent: October-10-18 12:36 PM
To: Kahn, Zoe
Cc: Bilmer, Angela; Maguire, Nancy
Subject: 2018-001-01646 For DMO approval - Min G Byrne Arctic surf clam

Hello Zoe,

MCU is flagging that the response to Min. Gerry Byrne's letter regarding Arctic surf clam is now in DMO for approvals. Please note this is one of five dockets on Arctic surf clam. The other four are responses are approved and ready to go to MINO. All responses are substantively similar with minor changes to reflect the correspondent. I am attaching the Min Byrne for your reference.

The Min Byrne still requires DMO and PCO review prior to going to MINO. Please note MCU is following standard approval procedures on all five. If DMO would like to review the other four please let me know. The strategy is to submit all five dockets into MINO at the same time.

List of correspondents:

Gerry Byrne (Min. Fisheries and Land Resources, NL) –DMO approval and PCO review required
Ready for MINO
Stephen Adams (Councillor Halifax, NS)
Carol Anne Haley (MHA, Burin-Grand Bank NL)
Paul Lane (MHA Mount Pearl-Southlands NL)
Terrance Paul (Assembly of Nova Scotia Mi'kmaq Chiefs)

Any questions please let me know.

Michael Valerio
A/Manager | Gestionnaire int.
Ministerial Correspondence Unit | Unité de la correspondance ministérielle
Fisheries and Oceans Canada | Pêches et Océans Canada
200 Kent Street Ottawa ON K1A 0E6
michael.valerio@dfo-mpo.gc.ca
NEW|NOUVEAU tel: 613 943-2464

Ministerial Correspondence / Correspondance ministérielle

Approval Form / Formulaire d'approbation

MCCU DOCKET # / N° DU DOSSIER UCCM: 2018-001-01646

MCCU CONTACT / RESPONSABLE À L'UCCM : CLAUDIA ROSSI/ J.N.

REPLY BY MINO / RÉPONSE DU MINISTRE

DATE AND DEADLINES / DATE ET ÉCHÉANCE

DUE DATE TO MINO / ÉCHÉANCE AU CM : (mm-dd-yyyy / mm-jj-aaaa)	9/27/2018	DATE RECEIVED IN MCCU / DATE DE RÉCEPTION À L'UCCM : (mm-dd-yyyy / mm-jj-aaaa)	8/15/2018
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COMMENTS / APPROACH – COMMENTAIRES / APPROCHE

Based on approved template, which was updated due to recent events. All current Arctic Surf Clam dockets: 2018-001-00536, -00617, -00652, -01646, and -01676.

As per RDGO, DG IARD approval was required.

Legal and ADM FHM approvals were required for Arctic surf clam dockets.

APPROVALS / APPROBATIONS

Level / Niveau	Name, Title and Sector / Nom, titre et secteur	Assigned Date / Date fixée	Date Due / Échéance	Date Approved / Date d'approbation	Changes / Modifications
Director / Directeur(trice)					
DG Regional Director / Directeur(trice) régional(e)	Annette Daley A/Regional Director, Fisheries Management, Maritimes Region			September 7, 2018	
	Adam Burns, Director General, Fisheries Resource Management, FHM	September 7, 2018	September 10, 2018	September 18, 2018	Yes.
IF NECESSARY / SI NÉCESSAIRE					
ADM / RDG / DC / CO / AC SMA / DGR / SA / BC / CA	Alain Vézina for Mary Ellen Valkenier Regional Director General, Maritimes Region	August 30, 2018	September 5, 2018	September 7, 2018	No.
	Sylvie Lapointe, Assistant Deputy Minister, Fisheries and Harbour Management	October 9, 2018	October 10, 2018	October 10, 2018	No.
Indigenous Affairs / Affaires autochtones Legal / Services juridiques IGA / AI	Stephen Sharzer, Senior General Counsel and Head, DFO Legal Services, NCR	October 1, 2018	October 3, 2018	October 4, 2018	Yes.
	Christine Dupont for Luke McKay, Acting Director, Intergovernmental Affairs, Strategic Policy	October 4, 2018	October 5, 2018	October 9, 2018	No.
	Robert Lamirande, Director General, Indigenous Affairs and Reconciliation Directorate, Strategic Policy	September 21, 2018	September 24, 2018	October 1, 2018	No.
IF / SI PROVINCIAL / TERRITORIAL					
DM / SM	Catherine Blewett Deputy Minister required	October 10, 2018			
PCO / BCP	required				

OTHER CONSULTATIONS / AUTRES CONSULTATIONS

INFO COPIES TO / COPIES POUR INFORMATION À (Office, Branch, Date / Bureau, direction, date)	DEVELOPED WITH SME(S) OR OTHER STAKEHOLDER(S) / ÉLABORÉ AVEC EXPERT(S) EN LA MATIÈRE OU AUTRE(S) INTERVENANT(S) (Name, Title, Branch, Date / Nom, titre, direction, date)
<ul style="list-style-type: none"> DGO did not confirm whether SADMO, SP approval was required; information copy was sent to SADMO. (As per MCU, ADM FHM) 	<ul style="list-style-type: none"> Template written by MCU in collaboration with Doug Wentzell, Associate RDG, Maritimes Region, Date: August 30, 2018

approval was required.)	
OGD / AMG - (Name, Title, Branch, Date / Nom, titre, direction, date)	
•	

FOR MCCU USE / RÉSERVÉ À L'UCCM

b.c.c. / Cci – (Name, Department / Nom, ministère)	c.c. – (Name, email address / contact info / Nom, courriel, coordonnées)
<ul style="list-style-type: none">• Karen A. Curlett, DFO• Patricia Pellerin, DFO• Karen Chamberlain, DFO• Thomas Hallam, DFO• Michelle Iacovitti, DFO• Michelle Kaleta, DFO	<ul style="list-style-type: none">• The Honourable Seamus Thomas Harris O'Reagan, P.C., M.P.: Seamus.OLagan@parl.gc.ca• The Honourable Dwight Ball, M.H.A.: premier@gov.nl.ca• His Worship Rex C. Matthews: rexmatthews@nf.sympatico.ca
ATTACHMENTS TO RESPONSE / PIÈCES JOINTES À LA RÉPONSE	
•	

The Honourable Gerry Byrne, P.C., M.H.A.
Minister of Fisheries and Land Resources
Government of Newfoundland and Labrador
c/o Ms. Pam Hunt
[<pamhunt@gov.nl.ca>](mailto:pamhunt@gov.nl.ca)

Dear Minister:

Thank you for your correspondence of August 8, 2018, regarding the process for the allocation of the fourth Arctic surf clam licence.

On August 10, 2018, Fisheries and Oceans Canada announced that the current process to issue a fourth Arctic surf clam licence was cancelled.

The Department will launch a new Expression of Interest process in the spring of 2019 for the fourth Arctic surf clam licence, so that the participant can begin fishing the new licence in 2020. The goal of this process is to broaden the distribution of benefits of the public resource to Indigenous peoples.

The new process will focus on validating the specific direct and significant benefits that will flow to Indigenous communities, as well as the proponents' readiness to implement their submissions. More details on this process will be made available in due course.

Thank you for writing.

Jonathan Wilkinson, P.C., M.P.
Minister of Fisheries, Oceans and the Canadian Coast Guard

c.c.: The Honourable Seamus Thomas Harris O'Regan, P.C., M.P.
Minister of Veterans Affairs and Associate Minister of National Defence
Member of Parliament for St. John's South-Mount Pearl
The Honourable Dwight Ball, M.H.A.
Premier of Newfoundland and Labrador
His Worship Rex C. Matthews
Mayor of the Town of Grand Bank

Snow, Anne E

From: Wentzell, Doug
Sent: October-19-18 2:15 PM
To: Berthier, Jacinta
Subject: Re: Minister's Hot Issues Package - Comments

Perfect. Thanks.

Doug

Doug Wentzell

Associate Regional Director General, Maritimes Region
Fisheries and Oceans Canada | Government of Canada
Doug.Wentzell@dfo-mpo.gc.ca | Telephone: 902-426-2250 | Facsimile: 902-426-2706

Directeur général régional associé, Région des Maritimes
Pêches et Océans Canada | Gouvernement du Canada
Doug.Wentzell@dfo-mpo.gc.ca | Téléphone: 902-426-2250 | Télécopieur: 902-426-2706

From: Berthier, Jacinta
Sent: Friday, October 19, 2018 2:07 PM
To: Daley, Annette; Wentzell, Doug; MacDonald, Heidi
Subject: Minister's Hot Issues Package - Comments

Hi All,

A few quick comments as Doug noted this is due today at 2PM:

1. While there may be a reason for the order or repetition of 'hot issues' I would suggest the following items be grouped and duplication be reduced where possible to avoid conflicting statements.
 - P12. SWNS Indigenous and non-Indigenous interactions – grouped with Southwest Nova Lobster (Q&A) on p. 69, 76, and 79 as there is much repetition and overlap. Include a reference in item on P12 to the SWNS (Indigenous and non-Indigenous) Lobster group that has been meeting – details provided in item on P 76.
 - In terms of the SWNS Lobster (Q&A) – suggest that the title reflect this relates to the FSC lobster fishery; Q3 of this section should start with a factual statement from the 'Factual written responses – via email' material to say how many traps are permitted to be fished, in comparison to the commercial fishery, [REDACTED]
 - Many of these questions related to specific incidents and media queries – the timelines of recent trap seizures on p. 72 may not be as relevant, so a date or timeline for the approved response would add valuable context if you cannot confirm with C&P;
 - P 76 – if these pieces are not grouped, suggest that the title reflect this is an Indigenous and non-Indigenous lobster group;
2. P. 14 - MPA Gully Zone 1 changes is not a hot issue from the RM perspective; EM to confirm.

3. P. 51 - Amendments to the MMRs has happened – may be relevant in relation to the NARW Pan Atlantic meeting next week, but otherwise not currently a hot issue; if retained, suggest amending first line to “The Government of Canada has amended the Marine Mammal Regulations....”; p. 52 – 6th bullet – remove ‘has’ in second line, and add a space between words ‘including’ and ‘the’ on same line.
4. P. 61 – second bullet – there was no stock assessment completed on the Grand Banks in 2017 – only on Banquereau – Science can confirm, but we have been rolling over the quota for Grand Bank as there has been no assessment; If Pressed section – 1st bullet – could delete the “As he has previously stated, the Minister....”, and in 2nd bullet – suggest ‘The updates science advice allows for maintaining the 2018 TAC on Banquereau’ – a 33t increase over ~21,000t total for that Bank is a very small number – likely to raise more questions about an increase than is worthwhile.
5. Other surf clam updates are fine – recognizing NHQ is leading the next EOI, and I am not sure that a decision on that entrant will be ready in the Spring of 2019...seems fast.
6. P 66 – Atlantic Whitefish issue to be updated based on recent media and Science decision. RM has no info to add.
7. P. 74 – Change title to remove the Pilot portion of the project, as that element relates to the ‘LFA 33-35 Lobster Bycatch Data Collection’ component of the SWLSS AFF project funding; in 2nd bullet of media lines – replace ‘Monitoring’ with ‘Data Collection’ to avoid confusion with monitors or at sea observers;
8. P 77 – TMGC is not a hot issue; suggest this element be deleted or moved to the end, and if retained, more benefit to include the Canadian portions of the TACs being recommended in a BN being approved for the Minister – cod = 461.5 t, haddock = 15,000 t, yellowtail = 34 t.

	2018					2019 (Recommended)				
	TAC (t)	Quota (t)		Share		TAC (t)	Quota (t)		Share	
		Canada	US	Canada	US		Canada	US	Canada	US
Cod	951	694	257	73%	27%	650	461.5	188.5	71%	29%
Haddock	40,000	24,400	15,600	61%	39%	30,000	15,000	15,000	50%	50%
Yellowtail	300	87	213	29%	71%	140	34	106	24%	76%

9. P. 78 – the Title ‘Department’s At-sea Observer Program’ is not reflective of the content of the issue note; rather, this is the Maritimes Region LFA 33-35 Lobster Bycatch Data Collection – Role of the At-Sea Observer Program. Also, confirm the material is consistent with the recently approved lines approved by the RDG this morning / last night:

- Fisheries and Oceans’ Bycatch Policy provides for a range of data collection methods. In the Maritimes Region, a principal method for collecting data on bycatch is the Department’s At-sea Observer Program.
- DFO is introducing regular at-sea data collection across all inshore lobster fishing areas (LFAs) in the Maritimes Region, beginning in fall 2018 for LFAs 33-35, at a later date to be determined for other inshore LFAs.
- The main purpose of at-sea data collection is to determine the occurrence of bycatch in the lobster fishery so that risks to bycatch species can be better understood and managed.
- DFO has been working with industry in each LFA on approaches to data collection. The approaches that will be trialled for 2018/19 in LFAs 33-35 are the Department’s At-sea Observer Program, which is being used in many other commercial fisheries, and an industry-let pilot project wherein the Southwest Lobster Science Society will hire and deploy their own technicians.
- Those licence holders having data collected under the At-sea Observer Program, which are just under half of the total licence holders in these three LFAs, will have a new requirement to hail-out.
- The Department has worked to ensure that the implications of hail-outs for harvesters are considered, while balancing the need for data collection that will support fisheries management decisions.
- This is how the hail-out will work:

Harvesters who are having data collected under the At-sea Observer Program call a toll-free number and provide information such as vessel number and the fishing area where they plan to harvest. The IVR system prompts the fisher throughout the call for the needed information, saves the information to a database and issues the fisher a hail out reference number at the end of the call.

In a traditional hail-out system, harvesters are required to call-in via the IVR at least six hours before they plan on leaving. This timeframe is necessary to allow at-sea-observers time to make arrangements to join vessels once they are randomly assigned by the IVR.

- The six-hour timeframe will also be required in LFAs 33-35 for the 2018/19 season. However, unlike in other fisheries, the at-sea observer companies will have the flexibility to schedule coverage on that next trip or to make arrangements with the licence holder to schedule coverage for a future trip. At-sea observer companies may also schedule coverage independently of referrals from the hail-out system.

10. We have no information on USMCA.

MacDonald, Heidi

From: MacDonald, Heidi
Sent: October-19-18 5:42 PM
To: ComApproval / Approbation (DFO/MPO); Patzer, Adria; Seguin, Natalie; Jackson, Ashley; Quirion, Stephanie; Wilson, Patricia F; Smith, Kathleen; Salem, Ann-Margaret; Foerter, Holly; Solski, Lauren
Cc: Morris, Christina; Nasrallah, Christine; Provencher, Suzanne; Szerze, Anita; Parent, Sonia; Nesseth, Megan; Fagan, Ashley; Williams, Jennifer; Sloan, Glen; Trudeau, Miriam; Quinn, Caroline; McElhone, Kathryn; Hubley, Marian; Bell, Patricia; Campbell, Mike; Laforce, Valerie; Parkes, Sara
Subject: RE: URGENT Request: Hot Issues Binder for next week - Flag and Suggest
Attachments: Working doc 2.docx
Importance: High

Folks,

Please find attached updated version of NS hot issues which has been reviewed and OK'd in Region. Note that some suggestions have been made related to content we didn't generate, so I've highlighted in yellow.

In addition, we've either deleted, or are proposing the deletion of content related to:

- Proposed changes to zone 1 (gully)
- Striped bass was also suggested for removal (though I know this would have come from Gulf)
- TMGC
- FSC general messaging

Also we noted a section on mackerel in the Arctic content that may not relate to their Region.

Thank you all,
Heidi

From: ComApproval / Approbation (DFO/MPO)
Sent: October-19-18 3:41 PM
To: ComApproval / Approbation (DFO/MPO); Patzer, Adria; Seguin, Natalie; Jackson, Ashley; Quirion, Stephanie; Wilson, Patricia F; Smith, Kathleen; Salem, Ann-Margaret; MacDonald, Heidi; Foerter, Holly; Solski, Lauren
Cc: Morris, Christina; Nasrallah, Christine; Provencher, Suzanne; Szerze, Anita; Parent, Sonia; Nesseth, Megan; Fagan, Ashley; Williams, Jennifer; Sloan, Glen; Trudeau, Miriam; Quinn, Caroline; McElhone, Kathryn; Hubley, Marian; Bell, Patricia; Campbell, Mike; Laforce, Valerie; Parkes, Sara
Subject: URGENT Request: Hot Issues Binder for next week - Flag and Suggest
Importance: High

Good afternoon everyone,

Could I urgently ask teams to review the attached draft Hot Issues book for the Minister's trip last week? I am hoping teams can assist me by:

- 1) Flagging to us which issues are likely to be sensitive and asked about during the trip. (Minister's Office has informed us this is their preference.)

- 2) Ensuring that all important issues that could be mentioned during the Minister's trip to Nova Scotia and the Arctic next week are reflected.
- 3) Recommending anything we can remove that does not need to be there and is not likely to be discussed.

We are hoping to get this book back to the Minister's Office for our end of business today. With that in mind, would teams be able to look through, flag important issues, and suggest changes by **4pm (EST)** this afternoon?

Thank you all,

ComApprovals

**Pages 13 to / à 59
are not relevant
sont non pertinentes**

Best available copy

Allocating the remaining 25 per cent of the 2019 Arctic Surf Clam TAC

ISSUE

Minister Wilkinson announced on September 11 that the remaining 25 per cent of the 2018 and 2019 Total Allowable Catch (TAC) will be made available to the current licence holder with a view to identify a new participant for the 2020 fishery. Clearwater Seafoods Inc. currently holds (directly or indirectly) all 3 offshore Arctic Surf Clam licences in Atlantic Canada. The decision to introduce a fourth licence representing 25 per cent of the existing TAC was announced in September 2017.

Key messages

- The Minister of Fisheries, Oceans and the Canadian Coast Guard intends to create and issue a fourth licence to a new entrant to the offshore Surf Clam fishery. The new entrant would be provided with 25 per cent of the current TAC.
- The remaining 25 per cent of the 2018 and 2019 Total Allowable Catch (TAC) will be made available to the current licence holder, Clearwater Seafoods, with a view to identify a new participant for the 2020 Surf Clam fishery. This will allow for the economic benefits to remain in coastal communities while Fisheries and Oceans Canada continues to work to broaden access to this fishery.
- The decision to introduce Indigenous participation in the Arctic Surf Clam fishery is consistent with the Government of Canada's commitment to developing a renewed relationship between Canada and Indigenous peoples.
- Enhancing access to the Arctic Surf Clam fishery broadens the distribution of benefits from this public resource, and is a powerful step toward reconciliation.
- The benefits of this lucrative fishery—and public resource—can increase the economic well-being of Indigenous communities.
- Following an independent third-party review, DFO anticipates identifying a new participant in this fishery in the spring of 2019 through an Expression of Interest process. It is anticipated the fourth licence holder would begin fishing the new license in 2020.

Questions and Answers

Why give the quota back to the current license holder? How does this address the monopoly?

The remaining 25 per cent of the 2018 TAC has been made available to the current licence holder following discussions with them. This will allow for the economic benefits to remain in coastal communities while we work to broaden access to this fishery.

Best available copy

The goal of this process has always been, and remains, to broaden the distribution of benefits from this public resource. Our decision to introduce Indigenous participation is consistent with our Government's commitment to developing a renewed, nation-to-nation relationship between Canada and Indigenous peoples.

Will Clearwater Seafoods be allowed to fish the complete TAC in 2019?

Yes, the remaining 25 per cent of the 2018 and 2019 TAC will be made available to the current licence holder, Clearwater Seafoods, with a view to identify a new participant for the 2020 Surf Clam fishery.

When will details regarding the Expression of Interest process be shared?

Further details on this process will be made available in due course. It is anticipated that a new participant in the fishery will be identified through an Expression of Interest process in the spring of 2019, so that the participant can begin fishing the new license in 2020. An independent third-party will evaluate the submissions received.

This process will once again focus on confirming and validating the specific direct and significant benefits that will flow to Indigenous communities, as well as the proponents' readiness to implement their submissions.

Why was the issuing of a fourth license for 2018 cancelled?

Based on exchanges with the proponent, the issuance of a fourth surf clam licence in 2018 has been cancelled and the reasons have been shared with the proponent. We cannot speak to the specifics for reasons of commercial confidentiality.

**Pages 62 to / à 79
are not relevant
sont non pertinentes**

Patrick, Lindsey

From: MacDonald, Carl
Sent: Monday, October 22, 2018 9:51 AM
To: MacDonald, Carl
Subject: Offshore Clam AC meeting- 10am October 26th at BIO - King Boardroom
Attachments: Science MOU DFO & Clearwater 2018.pdf; Agenda Offshore Clam AC Oct 26 2018.docx; Maritimes Region Resource Management Advisory Committees Code of Conduct_14Sep2018.docx; DRAFT_ML_surfclam_stock status update_Oct 2018.doc

Dear Members and Observers of the Offshore Clam Advisory Committee,

This email is to provide the agenda and meeting materials in advance of the Offshore Clam Advisory Committee meeting.

Please note this meeting will begin at **10:00am** instead of 9:30 as previously indicated due to an unforeseen conflict.

Meeting is at **10:00am to 12 noon on October 26th, Lewis King Boardroom at the Bedford Institute of Oceanography, 1 Challenger Drive, Dartmouth, Nova Scotia.**

Call-in options will also be available at the following numbers

Toll free number 1 877 413 4790

Conference ID 

Should you have any questions regarding this notice, please feel free to contact me using the contact information below.

Best Regards,

Carl MacDonald
Resource Management
Fisheries & Oceans Canada | Government of Canada
Carl.MacDonald@dfo-mpo.gc.ca | Tel: 902-293-8257 | Fax: 902-426-7967

Regional agent principal de gestion des pêches, Gestion des ressources
Pêches et Océans Canada | Gouvernement du Canada
Carl.MacDonald@dfo-mpo.gc.ca | Tél: 902-293-8257 | Télécopieur: 902-426-7967

s.16(2)(c)

MEMORANDUM OF UNDERSTANDING

OFFSHORE CLAM COLLABORATIVE SCIENCE PLAN

BETWEEN

**Her Majesty the Queen in Right of Canada, as represented
by the Minister of Fisheries and Oceans**

AND

**Clearwater Seafoods Limited Partnership
by its Managing General Partner, CS ManPar Inc.**

September 7, 2018

1. NAME OF PARTICIPANTS

- HER MAJESTY THE QUEEN IN RIGHT OF CANADA as represented by the Minister of Fisheries and Oceans (hereinafter referred to as "Canada")
and
- Clearwater Seafoods Limited Partnership by Its Managing General Partner CS ManPar Inc. (hereinafter referred to as "Clearwater")

2. INTRODUCTION

- WHEREAS Canada and Clearwater have for a number of years worked together in the collection of scientific information to support sustainable management of the Canadian offshore clam fishery; and
- WHEREAS Canada and Clearwater wish to collaborate on a project entitled "*Arctic Surf Clam Collaborative Science*" as described in Annex A hereto ('Project').

3. PURPOSE/OBJECTIVES/EXPECTED OUTCOMES

- This MOU is intended to facilitate a collaborative approach to increase knowledge, efficiency and effectiveness in the sustainable management of the offshore clam fishery. Beginning in 2019, specific science activities identified in Annex A will be undertaken through a collaborative agreement with the purpose of contributing to improved stock assessment methodology, leading to better advice on management approaches that minimize risks to the fishery and support future decisions about the fishery. While work under the MOU will be ongoing, information that is available will be incorporated into an updated stock assessment in 2019.
 - Specifically, Canada and Clearwater will work together to further knowledge in the following areas:
- Conversion factor for clam fishery meat weight to whole weight (underway, expected to be completed fall 2019);
- Arctic Surf Clam fecundity at size (starts 2019, ongoing with preliminary results expected in 2020);
- Arctic Surf Clam reproductive cycle and spawning period (starts 2019, ongoing with preliminary results expected in 2020);
- Arctic Surf Clam growth rates and weight at size (condition factor) (starts 2019, ongoing);
- Offshore clam fishery bycatch (starts 2019, ongoing); and ultimately,
- Arctic Surf Clam stock assessment methodology (starts 2019, ongoing).

4. OTHER GENERAL INFORMATION

- Nothing in this MOU abrogates or derogates from any Aboriginal, treaty or other rights of Aboriginal People including self-government.

5. SCOPE

- This MOU applies to:
 - offshore clam fishery resources found in the Banquereau Bank and Grand Bank stock areas;

6. ROLES AND ACTIVITES/RESPONSIBILITIES

- The Participants will make every reasonable effort to develop subsidiary agreements and/or working groups and/or other implementation instruments prior to the first review of this Memorandum of Understanding.

7. MANAGEMENT PROVISIONS

- A Committee will meet annually or more frequently as required to fulfil the objectives set out in Section 3. Membership will be Regional Director Resource Management , Regional Director Science Maritimes and a representative of Clearwater.

8. INCLUSION OF ADDITIONAL PARTICIPANTS

- The MOU will be left open for additional signatures of other research organizations, academic bodies or other governmental agencies upon joint approval of the Participants.

9. SHARING OF INFORMATION

- While this MOU is in effect and at all times thereafter, each of Canada and Clearwater and any officers, employees or agents of each of them shall treat all information, data, documents, reports and materials acquired or to which access have been given in the course of, or incidental to, the performance of this Agreement as confidential, subject to the *Access to Information Act* (Canada), the *Privacy Act* (Canada). The Parties shall not disclose or permit to be disclosed such information, data, documents, reports and materials, unless:
 - a. the parties agree to the disclosure;
 - b. the disclosure is required by law;
 - c. the information was obtained from the public; or
 - d. the information is available to the public.

10. DIFFERENCES IN INTERPRETATION AND APPLICATION

- The Parties will endeavour to resolve issues regarding the implementation of this MOU in a timely manner using mechanisms available through the Committee defined under Section 7.

11. ANNUAL REPORT

- The Committee (Section 7) will submit an annual report on the implementation of this MOU for the coming year to the Offshore Clam Management Board as soon as practicable after the conclusion of the year. A year will be considered to run from April 1 to March 31.

12. REVIEW

- During the fifth year that this MOU is in effect, the offshore clam management board will review the effectiveness of activities under this MOU.

13. AMENDMENT

- The Agreement may be amended by the Parties at any time. An amendment will be confirmed by an exchange of letters by the Parties setting out the amendment and its effective date.
- ~~An amendment to the Agreement may extend the term of the Agreement, provided that the extended term:~~ *[Signature]*

14. FINANCIAL ARRANGEMENTS

- This MOU will not impose any financial responsibilities or obligations on its participants, except that each participant will be responsible for the staff and funding costs it incurs in its own interest, related to the support of the MOU.

15. DURATION, WITHDRAWAL AND TERMINATION

- The MOU will expire five years after the date that the MOU comes into effect. Either participant may terminate this Agreement by providing one year's written notice to the other participant.

16. LEGAL DISCLAIMER

- This MOU is an expression of the mutual intentions of the Participants and is not legally binding on them or enforceable against them.

17. CONTACTS

Clearwater Seafoods Limited Partnership

Alain Vézina
Fisheries and Oceans Canada
Regional Director, Science
Maritimes Region
902-426-3490

18. EFFECTIVE DATE AND SIGNATURE

- This MOU has been signed by the Regional Director General, Maritimes Region Minister of Fisheries and Oceans on behalf of Her Majesty the Queen in Right of Canada and by the Clearwater Seafoods Limited Partnership on the dates noted below:

SIGNED IN THE PRESENCE OF:

**FOR HER MAJESTY THE QUEEN IN RIGHT OF
CANADA**

M. Valkenier

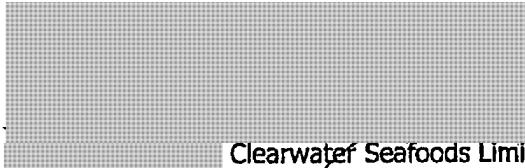
Mary-Ellen Valkenier, Regional Director-General, Maritimes
Region

Sept 10, 2018

Date

**FOR CLEARWATER SEAFOODS LIMITED
PARTNERSHIP**

**BY ITS MANAGING GENERAL PARTNER, CS MANPAR
INC.**



Clearwater Seafoods Limited

Partnership

September 10, 2018

Date

This Agreement comes into effect on the latest date noted above.

s.19(1)

Annex A
Specific Science Activities

Memorandum of Understanding Between Canada (DFO) and Clearwater Seafoods Limited Partnership
Concerning Arctic Surf Clam Collaborative Science

Description of Science Activities

Preamble

Fisheries and Oceans Canada and Clearwater Seafoods Limited Partnership have for a number of years worked together in the collection of scientific information to support sustainable management of the Canadian offshore clam fishery. The two parties have agreed to enter into a Memorandum of Understanding to facilitate a collaborative approach to increase knowledge, efficiency and effectiveness in the sustainable management of the offshore clam fishery. Beginning in 2019, specific activities identified below will be undertaken through a collaborative agreement with the purpose of continuing to improve stock assessment methodology, leading to better advice on management approaches that minimize risks to the fishery and support future decisions about the fishery. While work under the MOU will be ongoing, information that is available will be incorporated into an updated stock assessment in 2019.

Specifically, Canada and Clearwater Seafoods Limited Partnership will work together to further knowledge in the following areas:

- Conversion factors for different product formats for clam species landed by the fishery that provides the relationship from meat weight to whole weight;
- Arctic Surf Clam fecundity at size;
- Arctic Surf Clam reproductive cycle and spawning period;
- Arctic Surf Clam growth rates and weight at size (condition factor);
- Offshore clam fishery bycatch; and ultimately; and
- Arctic Surf Clam stock assessment methodology.

Conversion Factors (underway, expected to be completed fall 2019)

Landings for the offshore clam fishery are reported as processed 'meat weights', mainly recorded for the foot, often referred to as tongue in the marketplace. Total allowable catch (TAC) limits are based on unprocessed 'round weights', necessitating the conversion of the meat weights, individually or in combination (sum), to the round weight. Thus it is important to ensure conversion precision so that catch will accurately reflect the TAC. Data needed to evaluate conversion factors can be made available from commercial harvesters. Objectives under this activity:

1. Evaluate and identify key sources of spatial and temporal variability in conversion between processed meat weights and round weight.
2. Characterize the error associated with the application of a conversion factor(s).

Annex A
Specific Science Activities

Fecundity at Size (starts 2019, ongoing with preliminary results expected in 2020)

Fecundity is a key population parameter in the management of commercially exploited species. Combined with size at sexual maturity (SOM) and size frequencies observed in the field, estimates of fecundity can be used to derive important vital statistics including egg per recruit models and growth potential. Considerable focus has been applied to the efficiency and selectivity of the surf clam fishery. However, there is no data available on the productivity of the escapement size class relative to those retained. Robust size fecundity relationships, evaluated for each assessment region will provide the needed information to evaluate how the fishery influences the reproductive potential. Objectives under this activity:

1. Develop a protocol to estimate size-fecundity relationships for surf clam.
2. Estimate size fecundity relationships for sampled regions (Banquereau Bank, Grand Banks and inshore Eastern Scotian shelf).

Reproductive cycle and spawning periodicity (starts 2019, ongoing with preliminary results expected in 2020)

Arctic surf clams are dioecious broadcast spawners. The timing and synchrony of gamete release among individuals and sexes will have important implications for both fertilization success but also to dispersal, connectivity, and recruitment. Currently there is little data for the timing of spawning for Arctic surf clam in the northwest Atlantic. Basic information regarding the periodicity of spawning will help identify times of the year where stocks might be sensitive to fishing disturbance. To evaluate the periodicity of spawning, samples of clam will be obtained from commercial fishing vessels where possible on both banks. Objectives under this activity:

1. Establish the timing and frequency of spawning in stock areas.
2. Evaluate the synchrony in spawning among individuals (e.g. are individuals reaching similar stages of maturity within and among sexes, sizes classes, and populations).

Growth rates and weight at size (starts 2019, ongoing)

Expanding the comparative analysis of growth rates in the stock assessment framework to more integrated morphological relationships such as Fulton's condition factor, will provide an important baseline not currently available. Allometric comparisons both within and among assessment regions can help to identify important trends (e.g. areas of increased growth potential) relevant to the assessment and harvesting of the stock. In addition, relationships between morphological scaling rates (e.g. length weight) and environmental conditions can provide a quantitative platform to assess and potentially predict the impact of climate change on population processes. Objectives under this activity:

1. Population based estimates of spawn timing for stock areas.
2. Evaluation of environmental correlates of spawning.
3. Evaluation of synchrony among size classes.

Annex A
Specific Science Activities

Assessment methodology and bycatch monitoring (starts 2019, ongoing)

Knowledge gained from the above activities, together with work currently undertaken by Clearwater Seafoods Limited Partnership, will contribute to the improvement of the stock assessment methodology and thus lead to better advice on management approaches that minimize risks to the fishery. While many of the activities noted will extend beyond 2020, information available could be used to inform a stock assessment in 2019 in advance of the 2020 fishery. Objectives under this activity:

1. Collate and synthesize new information gathered under this MOU with existing data streams used in the monitoring and assessment of the offshore clam fishery.
2. Collaborate on data analysis.
3. Build available information into the stock assessment in preparation for 2020 fishery.

Offshore Clam Advisory Committee Meeting
Bedford Institute of Oceanography
Lewis King Boardroom
10:00am – 12:00 noon
October 26, 2018

Conference Call in line
Toll free number: 1 877-413-4790
Passcode: [REDACTED]

AGENDA

1. Welcome, Introductions, Review agenda
2. Review Advisory Committee Code of Conduct
3. Science
 - Banquereau Assessment Results (CSAS Science Advisory Report)
 - Annual Arctic Surfclam Fishery Indicator Status (Grand Bank and Banquereau)
 - Science Plan
4. Management
 - Gain Industry and Stakeholder Counsel on Surf clam TAC setting for Banquereau - 2019
 - Integrated Fishery Management Plan (IFMP) - Rewrite
 - Requests for Science Advice
 - Banquereau Update
 - Propeller Clams and Greenland Cockles
5. MSC Update
6. Other

s.16(2)(c)

Maritimes Region Resource Management Advisory Committees Code of Conduct

General Principles

Individual and stakeholder's participation in Advisory Committee meetings is accompanied by responsibilities. Parties that participate in these advisory processes should do so in good faith and with the public interest in mind. Committee members also have a responsibility to engage in effective, balanced and respectful communication. All participants have a responsibility to actively participate and provide non-partisan advice so that the Department gets the information it needs to make well-informed and balanced decisions, and so that Advisory Meetings operate as efficiently as possible.

Communications

In order to maximize the exchange of information among parties and minimize misunderstandings, DFO and Advisory Committee members should:

- speak clearly, listen carefully and ask for clarification if a point is not understood;
- share information related to the issues at hand;
- clearly explain what is important to them, what their interests are and why;
- state their perspective as concisely and briefly as possible; and
- not knowingly provide misleading or inaccurate information.

The Committee Chair shall ensure that all Committee members have the opportunity to speak and all perspectives and interests are heard by:

- seeking the active participation of all members; and
- providing opportunities for all members to be heard.

Mutual Respect

DFO and Advisory Committee members shall maintain a respectful atmosphere, by:

- respecting each other's values and interests;
- separating issues from people;
- avoiding accusatory or critical language, rude behaviour, and stereotyping;
- listening to what others have to say without interrupting;
- beginning meetings on time;
- seeking a better understanding of other perspectives with an open mind;
- recognizing the legitimacy of all interests; and
- allowing members the freedom to be creative, brainstorm, and test ideas without prejudice to future discussions.

Transparency and Legitimacy

DFO and Advisory Committee members shall:

- avoid participation in activities that might undermine the advisory process;

Failure to Respect this Code of Conduct

The intent of this Code of Conduct is to allow for Advisory Committee meeting to occur in a respectful manner. Failure to comply with this Code of Conduct may lead to some of the following outlined Administrative Sanctions being applied:

- the non-compliant individual(s) may be asked to leave the meeting;
- the meeting may be terminated;
- Security maybe called to escort the individual off the premises;
- the individual(s) may be prohibited from attending the next meeting;
- the individual(s) may be prohibited from attending all meetings with the Department for a period of time, such as up to one year; and
- Court order sanctions maybe sought in the most blatant of cases.

Note: This Code of Conduct is adapted from the Code of Conduct included in DFO's Consultation Toolbox.

DRAFT

MEDIA LINES

2018 STOCK STATUS UPDATE FOR ARCTIC SURFCLAM ON BANQUEREAU AND GRAND BANK

Issue and Background:

The offshore Arctic surf clam fishery has been operating on the Scotian Shelf since 1986, and on the Grand Banks since 1989. In 2017, a stock assessment was completed for this stock and served as the basis for the current Total Allowable Catch (TAC). In accordance with the multi-year stock assessment approach that was developed in 2017, the first stock status update was completed in May 2018, through an internal DFO peer review process. The results of this status update will be posted on DATE. While the update indicates that the state of the resource is healthy and largely unchanged since the assessment in 2017, given the high level of media and public interest in the Arctic surf clam fishery, this response has been prepared should media ask about the stock status update.

Media lines:

- The long-term sustainability of the Arctic Surf Clam fishery is a priority for the Government of Canada. Fisheries and Oceans Canada (DFO) bases its fishery management decisions, including the Arctic Surf Clam fishery, on the precautionary principle and the best available science.
- The Department completed a stock assessments for the offshore Arctic Surf Clam fishery on Banquereau and the Grand Banks in 2017, and concluded that the stock was healthy.
- As part of the 2017 stock assessment, a multi-year stock assessment approach was developed in which annual stock status updates are prepared by DFO and peer-reviewed through an internal process. The first of these updates was completed in May 2018.
- The stock status update indicates that the Arctic surf clam resource continues to be healthy in both fished areas (Banquereau and Grand Banks).
- The stock status update is available at [LINK](#).

IF PRESSED: (on implications for the issuance of a new licence)

- As the Minister of Fisheries and Oceans has previously stated, DFO plans to launch a new process to award a new surf clam licence. This stock status update has no impact on any future licensing decisions.

DRAFT

Spokesperson:

Doug Wentzell –
Regional Director Fisheries Management
Maritimes Region

Communications Contact:

Stephen Bornais

Patrick, Lindsey

From: MacDonald, Carl
Sent: Tuesday, October 23, 2018 7:14 AM
To: MacDonald, Carl
Subject: Updated Documents for Offshore Clam AC meeting- 10am October 26th at BIO - King Boardroom
Attachments: Maritimes Region Resource Management Advisory Committees Code of Conduct_14Sep2018.docx; Science MOU DFO & Clearwater 2018.pdf; Agenda Offshore Clam AC Oct 26 2018.docx; Science_Response_2018_046_EN_vm.docx

Dear Members and Observers of the Offshore Clam Advisory Committee,

This email is to provide updated meeting materials in advance of the Offshore Clam Advisory Committee meeting.

Documents attached include:

- Agenda
- Stock Status update for Arctic Surfclam
- Code of Conduct
- Science MOU DFO & Clearwater

Please note this meeting will begin at 10:00am instead of 9:30 as previously indicated due to an unforeseen conflict.

Meeting is at 10:00am to 12 noon on October 26th, Lewis King Boardroom at the Bedford Institute of Oceanography, 1 Challenger Drive, Dartmouth, Nova Scotia.

Call-in options will also be available at the following numbers

Toll free number 1 877 413 4790

Conference ID



Should you have any questions regarding this notice, please feel free to contact me using the contact information below.

Best Regards,

Carl MacDonald
Resource Management
Fisheries & Oceans Canada | Government of Canada
Carl.MacDonald@dfo-mpo.gc.ca | Tel: 902-293-8257 | Fax: 902-426-7967

s.16(2)(c)

Regional agent principal de gestion des pêches, Gestion des ressources
Pêches et Océans Canada | Gouvernement du Canada
Carl.MacDonald@dfo-mpo.gc.ca | Tél: 902-293-8257 | Télécopieur: 902-426-7967

**Pages 96 to / à 97
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pages 82 to / à 83**

Page 98
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page 81

**Pages 99 to / à 106
are duplicates of
sont des duplicates des
pages 84 to / à 91**



Fisheries and Oceans
Canada

Pêches et Océans
Canada

Ecosystems and
Oceans Science

Sciences des écosystèmes
et des océans

Maritimes Region

Canadian Science Advisory Secretariat
Science Response 2018/046

STOCK STATUS UPDATE FOR ARCTIC SURFCLAM (*MACTROMERIS POLYNYMA*) ON BANQUEREAU AND GRAND BANK

Context

An update on the status of the offshore Arctic Surfclam (*Mactromeris polynyma*) resource was requested by Maritimes Region Resource Management to support decisions about harvest levels in the Arctic Surfclam fishery. Surfclam is assessed on a multi-year assessment schedule, with updates produced in interim years. The basis for assessing Arctic Surfclam on Banquereau and Grand Bank was examined at a framework meeting on June 28-29, 2016. During the framework review, a fisheries-dependent assessment methodology was developed for Banquereau using a spatially disaggregated surplus production model (Hubley and Heaslip 2018). This method was used to provide an assessment of the stock status on Banquereau and potential harvest levels based on two removal values (0.5F_{MSY} and 0.33M). This report updates fisheries information (landings, Catch Per Unit Effort (CPUE), fishery footprint) and secondary indicators to the end of the 2017 fishing season for both Grand Bank and Banquereau, as well as biomass model results from Banquereau, and assesses them against agreed upon reference points and thresholds. These banks were last assessed in 2017 (DFO 2017, Hubley et al. 2018).

This Science Response Report results from the Science Response Process of May 8, 2018, on the Stock Status Update for Arctic Surfclam on Banquereau and Grand Bank.

Background

The offshore Arctic Surfclam fishery takes place on Banquereau and Grand Bank (Figure 1). Grand Bank refers to the Eastern Grand Banks fishing area, in NAFO Area 3LNO, with some restrictions as outlined in the license conditions. Historically, the banks were managed with Total Allowable Catches (TACs) set based on bank-wide estimates of biomass. These biomass estimates were made from scientific surveys, the most recent of which were in 2009 for Grand Bank (Roddick et al. 2011) and 2010 for Banquereau (Roddick et al. 2012). In the absence of new survey data, an assessment approach was developed for Banquereau that restricted biomass estimates to areas of commercially viable densities (a historically fished area) identified from Vessel Monitoring System (VMS) satellite positional data. This method is not currently applied to Grand Bank since fishing effort, specifically area fished, is less than on Banquereau and it is spread out over a greater area. The stock on Grand Bank is monitored with a set of fishery dependent secondary indicators for biomass, fishery footprint, and size composition.

Description of the Fishery

Following a three month test fishery in 1986, an Offshore Clam Enterprise Allocation Program was developed for Arctic Surfclam on Banquereau. The fishery expanded to Grand Bank in 1989. In 2017, there were three licences for offshore clam, with two vessels fishing on Banquereau and one vessel fishing on Grand Bank. Currently, temporary transfers of quota are

**Pages 108 to / à 119
are withheld pursuant to section
sont retenues en vertu de l'article**

68(a)

**of the Access to Information Act
de la Loi sur l'accès à l'information**

Longtin, Jean

From: Burns, Adam
Sent: October-23-18 12:10 PM
To: Robinson, Connor; Stringer, Kevin
Subject: Fw: SC messaging

Here is what will go to region for messaging on Friday.

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Lapointe, Sylvie <Sylvie.Lapointe@dfo-mpo.gc.ca>

Sent: Tuesday, October 23, 2018 12:02 PM

To: Whorley, David; Burns, Adam

Subject: RE: SC messaging

Yup.

From: Whorley, David

Sent: Tuesday, October 23, 2018 11:46 AM

To: Burns, Adam <Adam.Burns@dfo-mpo.gc.ca>; Lapointe, Sylvie <Sylvie.Lapointe@dfo-mpo.gc.ca>

Subject: SC messaging

Hi Sylvie and Adam --

So for messaging out on everyone's favourite bivalve: Carl MacDonald is looking for something to say at the advisory meeting. How about something like this, sticking to the high level points about departmental objectives?

- As communicated already, the Department is reviewing the process for allocation the 4th surf clam licence.
- The Department has committed to putting in place a new process to identify a holder for the license, so that the participant can begin fishing the new license in 2020.
- The Department wants to ensure that this effort is fair and transparent, and so is taking some time to ensure that the process will be effective in helping to allocate the licence.
- We understand that there is strong interest in this process. As promised, the Department will provide full details when they are available.

Whorley

Director, Resource Management Operations
Fisheries and Oceans Canada |
Directeur des opérations de gestion des ressources
Pêches et Oceans Canada
(613) 371-3795

Snow, Anne E

From: Whorley, David
Sent: October-26-18 7:33 AM
To: Wentzell, Doug
Subject: FW: SC messaging

As promised. SC messaging.

Dave

From: Whorley, David
Sent: Tuesday, October 23, 2018 2:07 PM
To: MacDonald, Carl <Carl.MacDonald@dfo-mpo.gc.ca>
Subject: Fw: SC messaging

Hi Carl -

Sylvie is good to go with the following messaging:

- As communicated already, the Department is reviewing the process for allocation the 4th surf clam licence.

- The Department has committed to putting in place a new process to identify a holder for the license, so that the participant can begin fishing the new license in 2020.

- The Department wants to ensure that this effort is fair and transparent, and so is taking some time to ensure that the process will be effective in helping to allocate the licence.

- We understand that there is strong interest in this process. As promised, the Department will provide full details when they are available.

Snow, Anne E

From: Wentzell, Doug
Sent: October-26-18 3:01 PM
To: Patrick, Lindsey
Cc: MacDonald, Carl; Whorley, David
Subject: FW: SC QP
Attachments: QP Card - Arctic Surf Clam.docx

Hi Lindsey,

Here's the latest QP card I have. However, I understand from Dave that some of the key messages are being nuanced so Dave should weigh in on the latest.

Doug

Doug Wentzell

Associate Regional Director General, Maritimes Region
Fisheries and Oceans Canada | Government of Canada
Doug.Wentzell@dfo-mpo.gc.ca | Telephone: [902-426-2250](tel:902-426-2250) | Facsimile: [902-426-2706](tel:902-426-2706)

Directeur général régional associé, Région des Maritimes
Pêches et Océans Canada | Gouvernement du Canada
Doug.Wentzell@dfo-mpo.gc.ca | Téléphone: [902-426-2250](tel:902-426-2250) | Télécopieur: [902-426-2706](tel:902-426-2706)

From: Edgar, Leigh
Sent: Tuesday, September 4, 2018 1:50 PM
To: Wentzell, Doug <Doug.Wentzell@dfo-mpo.gc.ca>
Cc: Lester, Brian <Brian.Lester@dfo-mpo.gc.ca>; Whorley, David <David.Whorley@dfo-mpo.gc.ca>
Subject: RE: SC QP

Hi Doug,
Here's the QP note.
Thanks!
LE

From: Lester, Brian
Sent: September-04-18 12:45 PM
To: Edgar, Leigh
Subject: RE: SC QP

From: Edgar, Leigh
Sent: 2018-September-04 11:40 AM
To: Lester, Brian

Subject: SC QP
Importance: High

Before I send it to Doug can you please look at this?
Thanks,
LE

Leigh Edgar

Senior Fisheries and Aquaculture Management Officer - Resource Management - Atlantic, Ecosystems and Fisheries Management |
Agent principal, Gestion des pêches et de l'aquaculture - Gestion de ressources - atlantique, Écosystèmes et gestion des pêches
Fisheries and Oceans | Pêches et océans
200 rue Kent Street - 13S026 Ottawa ON K1A 0E6
Leigh.Edgar@dfo-mpo.gc.ca
Telephone | Téléphone 613-990-0096 **new / nouveau**
Facsimile | Télécopieur 613-990-7051
Government of Canada | Gouvernement du Canada

ARCTIC SURF CLAM

- The Department remains dedicated to Our decision to increasinge Indigenous participation in all aspects of the fishingfishery, is consistent with our government's commitment to developing a renewed relationship between Canada and Indigenous peoples.
- Enhancing Indigenous access through to new access to the Arctic Surf Clams fishery will broadens the distributeiion of benefits of this lucrative fishery to a broad group of First Nationsfrom this public resouree, and is an important powerful step towards reconciliation.
- The deeision to issue a new licensee for Arctic Surf Clam will significantly enhanee Indigenous participation in the offshore fishery in Atlantic Canada and Quebec, and will allow the benefits of this luerative fishery to flow to a broad group of First Nations.
- To select the recipient of the new access and with lessons learned from the previous process, the Department will secure an independent third party to provide an analysis of applications for my considerarion.
- Central to my decision making will be a demonstrated ability of the new licence holder to provide direct and significant benefits to Indigenous communities, and a readiness to beginning harvesting operations in 2020.

Total Allowable Catch

- Given recent science advice for Banquereau Bank, the combined total allowable catch is 35,699 t for 2018.
- 75% of the established TAC has been distributed to the current licence holder and the remaining 25% set aside for the new participant in this fishery.

MACTRE DE STIMPSON

- Notre décision d'augmenter la participation autochtone à la pêche est conforme à l'engagement de notre gouvernement à forger une relation renouvelée entre le Canada et les peuples autochtones.
- L'amélioration de l'accès à la pêche de la mactre de Stimpson élargit la distribution des avantages tirés de cette ressource publique et constitue une étape importante vers la réconciliation.
- La décision de délivrer un nouveau permis pour la mactre de Stimpson aura pour effet d'augmenter considérablement la participation des Autochtones à la pêche hauturière dans les eaux canadiennes de l'Atlantique et du Québec, et permettra de répartir les avantages de cette pêche lucrative parmi un groupe élargi de Premières Nations.

Le total autorisé des captures :

- Compte tenu du récent avis scientifique transmis pour le banc Banquereau, le total autorisé des captures combiné équivaut à 35 699 t pour 2018.
- Le TAC établi a été réparti comme suit : 75 % au titulaire de permis actuel et les 25 % qui restent réservés au nouvel arrivant dans cette pêche.

BACKGROUND

- Three offshore Arctic Surfclam licences are currently held directly or indirectly by one company, Clearwater Seafoods Incorporated. The fishery is conducted on a year round basis from January 1 to December 31.
- The decision to reconfigure access in the fishery announced in September 2017 clearly noted the new access would be within the existing Total Allowable Catch. N.B.
- On February 21, 2018, the Department of Fisheries and Oceans (DFO) announced that a new licence for Arctic Surf Clam will be issued to the Five Nations Clam Company, representing 25% of the total allowable catch (TAC), and will be issued within the current TAC.
- In July, 2018, Minister LeBlanc cancelled the process and no licence was issued.
- In August, 2018, you directed the Department to develop a plan to launch a new 2018 Expression of Interest that would engage an independent third party to assess submissions based on clear criteria that includes specific and significant benefits for Indigenous communities and the proponent's readiness to proceed with the fishery in 2020.
- This decision will significantly enhance Indigenous participation in the offshore fishery in Atlantic Canada.
- The Five Nations Clam Company is a new entity that will be comprised of First Nations from Quebec, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, and New Brunswick. This entity will partner with Premium Seafoods to harvest, process and market the catch.
- On March 8, 2018, Chief Arron Soek issued a statement identifying the partners comprising the Five Nations Clam Company. They are:
 - Elsipogtog First Nation in New Brunswick.
 - Potlotek First Nation in Nova Scotia.
 - Abegweit First Nation in Prince Edward Island.
 - Innu First Nation of Nutashkuan in Quebec.
 - Southern Inuit of NunatuKavut, through its commercial fisheries entity NDC Fisheries Limited, in Newfoundland and Labrador.
- There was an eight week Expression of Interest process that began September 7, 2017.
- Additionally, As occurred in the previous process, applicants were/will still be required to: be majority owned by Canadians; demonstrate an ability to comply with all the measures set out in the existing conditions of the licence; be an Indigenous entity located in one of the four Atlantic Provinces or Quebec.

- DFO assessed eligible proposals received in the context of the proposed direct and significant benefits that will be generated for Indigenous communities in the applicant's geographic area including shore based employment, skills training and other community benefits.
- On December 22, 2016, Minister LeBlanc announced the TAC for 2017 would remain at 38,756t. The announcement indicated that a decision on access to the fishery for 2018 would be made in 2017. Submissions made to the department under the 2015 request for proposals remain sealed and have subsequently been returned to proponents.
- On April 20-21, 2017, the assessment of the Arctic Surfclam stock on Banquereau was held at the Bedford Institute of Oceanography. Preliminary findings of the assessment indicate that the Banquereau Arctic Surfclam stock is still considered to be in the healthy zone.
- The meeting of the *Offshore Clam Advisory Committee* took place in November 2017; discussion took place on the announcement of a fourth licence, the results of the Banquereau assessment and the way forward with respect to management measures for the 2018 season.
- Given there is no new science advice for Grand Bank the existing TAC of 14,756 t will be was rolled over for 2018. Based on the current science advice for Banquereau, a TAC of 20,943 t will be was set for Banquereau Bank. The current Grand Bank catch limit of 14,756 t combined with a new Banquereau Bank Surf Clam TAC of 20,943 t will resulted in an overall TAC of 35,699 t for 2018.

Name of PCO Policy Analyst. Nom de l'analyste du BCP : Jennifer Carter

Secretariat. Secrétariat : ERDP

Telephone number. Numéro de téléphone : 613-957-5453

Snow, Anne E

From: Whorley, David
Sent: October-26-18 3:08 PM
To: Patrick, Lindsey; Wentzell, Doug; MacDonald, Carl
Cc: Burns, Adam; Edgar, Leigh
Subject: Fw: SC messaging

Here is the most recent messaging Sylvie ok'd on SC for today's advisory committee meeting.

Suggest QP note be recur along these lines.

Dave

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Lapointe, Sylvie <Sylvie.Lapointe@dfo-mpo.gc.ca>
Sent: Tuesday, October 23, 2018 1:02 PM
To: Whorley, David; Burns, Adam
Subject: RE: SC messaging

Yup.

From: Whorley, David
Sent: Tuesday, October 23, 2018 11:46 AM
To: Burns, Adam <Adam.Burns@dfo-mpo.gc.ca>; Lapointe, Sylvie <Sylvie.Lapointe@dfo-mpo.gc.ca>
Subject: SC messaging

Hi Sylvie and Adam --

So for messaging out on everyone's favourite bivalve: Carl MacDonald is looking for something to say at the advisory meeting. How about something like this, sticking to the high level points about departmental objectives?

- As communicated already, the Department is reviewing the process for allocation the 4th surf clam licence.
- The Department has committed to putting in place a new process to identify a holder for the license, so that the participant can begin fishing the new license in 2020.
- The Department wants to ensure that this effort is fair and transparent, and so is taking some time to ensure that the process will be effective in helping to allocate the licence.
- We understand that there is strong interest in this process. As promised, the Department will provide full details when they are available.

Whorley

Director, Resource Management Operations
Fisheries and Oceans Canada |
Directeur des opérations de gestion des ressources
Pêches et Oceans Canada
(613) 371-3795

Bilmer, Angela

From: Iacovitti, Michelle
Sent: November-20-18 1:00 PM
To: Curlett, Karen A; Kaleta, Michelle
Cc: Patrick, Lindsey
Subject: RE: **Urgent** //2018-009-00704//SN for PS Meeting with Clearwater on Nov. 21, 2018
Attachments: RE: **Urgent** //2018-009-00704//SN for PS Meeting with Clearwater on Nov. 21, 2018

Hi Karen

Approved by our A/ADM, updated in GCCMS and attached above.

Thanks

Michelle Iacovitti

Fisheries and Harbour Management
GCCMS Coordinator
ADM's Office
13W077
613-990-1372

From: Curlett, Karen A
Sent: 2018-November-20 12:17 PM
To: Kaleta, Michelle
Cc: Iacovitti, Michelle
Subject: RE: **Urgent** //2018-009-00704//SN for PS Meeting with Clearwater on Nov. 21, 2018

Fantastic - done.

From: Kaleta, Michelle
Sent: Tuesday, November 20, 2018 12:53 PM
To: Curlett, Karen A <Karen.Curlett@dfo-mpo.gc.ca>
Cc: Iacovitti, Michelle <Michelle.Iacovitti@dfo-mpo.gc.ca>
Subject: RE: **Urgent** //2018-009-00704//SN for PS Meeting with Clearwater on Nov. 21, 2018

Hi Karen,

Can you assign this to us in CCM??

We're going to start approvals on our end now

Thanks! / Merci!

Michelle Kaleta

Correspondence Coordinator / Agente de correspondance
Assistant Deputy Minister's Office / Bureau du sous-ministre adjoint

s.21(1)(a)

s.21(1)(b)

s.23

Fisheries and Harbour Management / Géstions des pêches et de ports

Fisheries and Oceans Canada / Pêches et Océans Canada

(613) 990-9867 ><((((0>..^..><((((0>..^..><((((0>

From: Curlett, Karen A

Sent: November-20-18 11:51 AM

To: Kaleta, Michelle

Subject: RE: **Urgent** //2018-009-00704//SN for PS Meeting with Clearwater on Nov. 21, 2018

Thank you!

From: Kaleta, Michelle

Sent: Tuesday, November 20, 2018 12:50 PM

To: Curlett, Karen A <Karen.Curlett@dfo-mpo.gc.ca>

Cc: O'Brien, Jackie <Jackie.O'Brien@dfo-mpo.gc.ca>; Iacovitti, Michelle <Michelle.Iacovitti@dfo-mpo.gc.ca>;

Legal.Correspondence / Correspondance.Juridique (DFO-MPO) <Legal.Correspondence@dfo-mpo.gc.ca>

Subject: RE: **Urgent** //2018-009-00704//SN for PS Meeting with Clearwater on Nov. 21, 2018

Thanks Karen. We will wait for your go ahead but I'll have FRM start looking at the note now.

Thanks! / Merci!

Michelle Kaleta

Correspondence Coordinator / Agente de correspondance

Assistant Deputy Minister's Office / Bureau du sous-ministre adjoint

Fisheries and Harbour Management / Géstions des pêches et de ports

Fisheries and Oceans Canada / Pêches et Océans Canada

(613) 990-9867 ><((((0>..^..><((((0>..^..><((((0>

From: Curlett, Karen A

Sent: November-20-18 11:05 AM

To: Legal.Correspondence / Correspondance.Juridique (DFO-MPO)

Cc: O'Brien, Jackie; Kaleta, Michelle; Iacovitti, Michelle

Subject: **Urgent** //2018-009-00704//SN for PS Meeting with Clearwater on Nov. 21, 2018

Importance: High

Hello. Urgent Docket 2018-009-00704 - Senior Note for the Parliamentary Secretary who will be meeting with Clearwater November 21, 2018 for additional approvals.

Jackie, If you would please have Stephen Sharzer, Senior General Council, Legal Services review and initial Correspondence Routing Slip and return to me Karen.curlett@dfo-mpo.gc.ca

Michelle, I am including you so you will have the docket [REDACTED] I will forward you the signed correspondence routing slip for Sylvie Lapointe's ADM FHM approval.

Thank you

Karen

s.23

From: Perrier, Guillaume

Sent: Friday, November 16, 2018 12:40 PM

To: Curlett, Karen A <Karen.Curlett@dfo-mpo.gc.ca>; Rossignol, Pauline <Pauline.Rossignol@dfo-mpo.gc.ca>; Iacovitti, Michelle <Michelle.Iacovitti@dfo-mpo.gc.ca>; Kaleta, Michelle <Michelle.Kaleta@dfo-mpo.gc.ca>; Patrick, Lindsey <Lindsey.Patrick@dfo-mpo.gc.ca>
Cc: XNCR-Grp, DMO Correspondence & Briefing Unit <DMO.CBUnit@dfo-mpo.gc.ca>
Subject: **Urgent** New Tasking//2018-009-00704//SN for PS Meeting with Clearwater
Importance: High

Good morning Maritimes,

Please process the following urgent docket:

Title: Meeting with Clearwater

Deliverable: Scenario Note

Lead: MAR

Input: FHM

GCCMS #: 2018-009-00704

BF in DMO: Tuesday November 20, 2018

Instructions / Supplementary Information: The Parliamentary Secretary will be meeting with Clearwater. No agenda has been provided but please provide a SN to support this introductory meeting.

If you require an extension or clarification after consulting with your Group's program(s) and/or manager, please email DMO.CBUnit@dfo-mpo.gc.ca

Guillaume Perrier

Correspondence Officer | Agent de correspondance
Deputy Minister's Office | Cabinet de la sous-ministre
200 Kent Street, Ottawa, Ontario, K1A 0E6
Tel: (613) 993-0678

Email: Guillaume.perrier@dfo-mpo.gc.ca

><((((('> ><((((('> ><((((('> ><((((('> ><((((('> ><((((('>

From: Butcher, Ashley

Sent: November-16-18 11:30 AM

To: XNCR-Grp, DMO Correspondence & Briefing Unit

Cc: Rossignol, Pauline; Patrick, Lindsey

Subject: New Tasking: Meeting with Clearwater

Hello – please assign the following in GCCMS:

Title: Meeting with Clearwater

Deliverable: Scenario Note

Lead: MAR

Input: FHM

BF in DMO: Tuesday, November 20, 2018

Instructions / Supplementary Information: The Parliamentary Secretary will be meeting with Clearwater. No agenda has been provided but please provide a SN to support this introductory meeting.

Thanks,

Ashley Butcher
A/Departmental Assistant
947-4557

No information has been removed or severed from this page



Approved by
Mary-Ellen Valkenier
RDG Maritimes Region

Docket #: 2018-009-00704
Security Classification: UNCLASSIFIED

SCENARIO NOTE

MEETING WITH CLEARWATER SEAFOODS INCORPORATED

Overview

The purpose of the meeting is to discuss items of mutual interest between Fisheries and Oceans Canada (DFO) and Clearwater Seafoods Incorporated (Clearwater). Specifically, you may be asked to provide an update on surf clam quotas and on current regulatory challenges.

Your overall objective for the meeting is to gain a better understanding on this company and indicate recognition of the role they play in sustainable fish harvesting in Canadian waters.

Clearwater is a publicly-traded, vertically integrated Canadian corporation with subsidiaries in the United States, the United Kingdom and Argentina. Its head office is located in Bedford, Nova Scotia.

Clearwater is North America's largest vertically integrated harvester, processor and distributor of shellfish, and the largest holder of shellfish quota and licences within Canada. Key species harvested and processed by Clearwater include Canadian sea scallop, Argentine scallop, lobster, Arctic surf clam, shrimp, snow crab, and turbot.

The company was co-founded in 1976 by Colin MacDonald and John Risley. Both co-founders are members of the Board of Directors. Colin MacDonald is the Chairman of the Board and was the Chief Executive Officer (CEO) until May 2010. Ian Smith has been the CEO since that time.

Other senior executives include Teresa Fortney (Vice-President, Finance and Chief Financial Officer), Christine Penney (Vice-President, Sustainability & Public Affairs), Roy Cunningham (Vice-President, Land Based Operations), Tony Jabbour (Vice-President, Fleet Operations), and Darren Brown (Vice-President, Global Supply Chain).

Net sales for the company in 2017 were \$621 million, a 1.5% increase over 2016. Clam sales in 2017 (Arctic surf clam, propellor clam, cockles) were \$109 million, or 18% of total sales. Sales by other major species included scallops at \$200.3 million (32% of total sales), lobster at \$101.9 million (16% of total sales), and coldwater shrimp at \$78.0 million (13% of total sales).

Clearwater sources about 85% of its lobster supply through purchases from Canadian inshore harvesters.

Clearwater has 12 vessels in its fleet, including traditional and factory vessels. Over the last few years, the company has invested heavily in new factory freezer vessels for clam – the Belle

Carnell (\$65 million in 2015) and the Anne Risley (\$70 million in 2017). Clearwater has invested in seabed mapping and utilizes multi-beam sonar to aid in efficient harvesting.

According to DFO's latest landings data, the preliminary catch for Clearwater's clam harvest operation in 2017 is [REDACTED] tonnes of surf clam, [REDACTED] tonnes of propellor clam, and [REDACTED] tonnes of cockles. With respect to surf clam landings, [REDACTED] of the company's landings were at Mulgrave, Nova Scotia, with the other [REDACTED] at Grand Bank, Newfoundland and Labrador.

s.20(1)(b)

According to Canada's Top 100 Employers 2018, Clearwater's total employment from all operations in Canada consists of approximately 1,300 employees in offices, processing plants and vessels. This includes approximately 125 employees at the clam processing facility in Grand Bank, Newfoundland and Labrador, and regular crew complements on its clam harvesting vessels (74 on the Anne Risley and 70 on the Belle Carnell).

The key issues that will be raised during the meeting are:

1. Arctic Surf Clam Licences
2. Grand Bank Surf Clam Science
3. Regulations Keeping Pace with Advancements in Fishing Technology and Practices
4. Recent Clearwater Guilty Plea
5. Marine Protected Areas in the Maritimes Region

These issues are expanded below.

1. Arctic Surf Clam Licences

Until December 2017, Clearwater held all three surf clam licences in Atlantic Canada. In terms of overall sales, the fishery generated approximately \$109 million (about 18% of Clearwater's total revenue). This fishery was assessed through the Marine Stewardship Council and has received eco-certification as a sustainably managed fishery. Current information from the company's website suggests that Clearwater employment related to the clam fishery consists of 125 at the Grand Bank plant, and a crew of approximately 150 on board the company's clam vessels.

Clearwater has consistently opposed new entrants in the Arctic surf clam fishery given the company's heavy investment in the fishery, the difficulty in opening new markets, the price sensitivity of surf clam to additional supply, and the vulnerability of surf clam to exploitation. Clearwater has met with previous Fisheries Ministers to convey this position.

In September 2017, Minister LeBlanc announced his intention to introduce a fourth licence for Arctic surf clam representing 25% of the Total Allowable Catch (TAC) for that fishery. There was an eight-week Expression of Interest process beginning September 7, 2017. Applicants were required to: be majority owned by Canadians; demonstrate an ability to comply with all the measures set out in the existing conditions of the licence; and be an Indigenous entity located in one of the four Atlantic Provinces or Quebec.

Minister LeBlanc announced on February 21, 2018 that a new licence for Arctic surf clam would be issued to the Five Nations Clam Company. The Five Nations Clam Company was a new entity to be comprised of First Nations from Quebec, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, and New Brunswick. This entity was to partner with Premium Seafoods to harvest, process and market their catch.

In early July 2018, based on exchanges with the proponent (Five Nations Clam Company), the issuance of a fourth surf clam licence was cancelled. In August 2018, Minister Wilkinson decided that a new Expression of Interest process to identify a holder for the fourth licence for this fishery would be launched in 2019 so that the participant can begin fishing the new licence in 2020.

Parliamentary Secretary's Objectives

Your overall objective is to confirm that you remain committed to enhancing access to the Arctic surf clam fishery. This overall objective is consistent with the Government of Canada's commitment to developing a renewed relationship between Canada and Indigenous peoples and is a meaningful step towards advancing reconciliation.

Key Messages

- **The Minister of Fisheries and Oceans, the Honorable Jonathon Wilkinson, maintains the Department's commitment to selecting a new entrant to be issued a fourth licence for the offshore surf clam fishery. The new entrant would be provided with 25 percent of the Total Allowable Catch.**
- **The decision to introduce Indigenous participation in the Arctic surf clam fishery is consistent with the Government of Canada's commitment to developing a renewed relationship between Canada and Indigenous peoples.**
- **Enhancing access to the Arctic surf clam fishery broadens the distribution of benefits from this public resource, and is a powerful step toward advancing reconciliation and contributing to closing socio-economic gaps.**
- **DFO is committed to pursuing a path forward that reduces the tensions on this file, and moving ahead in a way that is fair, and meaningfully advances rights reconciliation. In this respect, we wish to take the time needed to make an effective decision that moves the surf clam file forward so that the fourth licence will be fishable in 2020.**
- **The Department is committed to open and transparent science based processes for the continued sustainable management of the Arctic surf clam stocks.**

2. Grand Bank Surf Clam Science

In 2016, a spatial assessment model for Arctic surf clam on Banquereau Bank was developed through a departmental Science Framework meeting. The model estimates biomass and potential harvest levels for Banquereau, but there was insufficient information for Grand Bank to allow a similar modeling approach to be applied to that area.

In May 2018, DFO Science completed a stock status update via a Science Response Process for Arctic surf clam on Banquereau and Grand Bank surf clam. Secondary indicators for Grand Bank are monitored annually until a Framework and survey can be completed for that area. The 2018 Science Response showed that the secondary indicators for Grand Bank were in a positive position relative to the set thresholds, demonstrating that stock status has not changed.

DFO held an Offshore Clam Advisory Committee meeting on October 26, 2018. Clearwater, as the only current licence holder, recommended adhering to the science advice and advised that a roll-over of the Grand Bank TAC is pragmatic as there is no new biomass advice for Grand Bank. Ocean Choice International requested a review of the science advice for Grand Bank.

The Department has developed a Memorandum of Understanding (MOU), signed by both the Department and Clearwater. The MOU outlines a collaborative science plan that will be applied to both Banquereau and Grand Bank. Research under the science plan will focus on a number of areas, including: conversion factors used to convert landed product to the round weights used for quota monitoring and science, fecundity at size, spawning cycle, growth rates, and condition (weight at size).

The science plan also includes developing a stock assessment methodology for Grand Bank which will address concerns that have been raised about the current approach to Grand Bank. A new assessment methodology for Grand Bank will, as with Banquereau, rely on fishery dependent data, as that is the only data source that is continuous and on-going.

There is currently no survey planned for Grand Bank. Grand Bank was last surveyed in three parts over four years from 2006 to 2009. A survey on Grand Bank is expensive, and challenging due to the size of the area (49,473 km²), and the lack of an appropriate vessel with a hydraulic dredge with which to conduct the survey.

Parliamentary Secretary's Objectives

Your objective is to reaffirm the Department's desire to expand our understanding of the Grand Bank Arctic surf clam stock, as evidenced by the MOU.

Key Messages

- Based on the best available information the stock status has been steady and the Department is planning research to improve our understanding of the stock.
- As per the joint DFO-Clearwater Memorandum of Understanding (MOU), the Department will continue to work collaboratively with Clearwater on the Banquereau and Grand Bank science plan.

3. Regulations Keeping Pace with Advancements in Fishing Technology and Practices

Clearwater has a significant interest in fixed gear fisheries, notably lobster, and the Department's approach to managing risks that fixed gear fisheries present to North Atlantic Right Whales and other incidental catch. The adequacy of the approach may affect access to export markets and the eligibility of fisheries to maintain eco-certification.

Clearwater has previously expressed concern about some of the regulations pursuant to the *Fisheries Act* that they believe inhibit experimentation with alternative fishing methods and technologies and the speed at which the Department has been able to modify these in order to keep pace with advancements in the industry. In particular, there is concern that the requirements under the *Fishery General Regulations* to mark both ends of fixed gear (Section 27(6)) and to mark fixed gear at the surface of the water (Section 27(2)) may be resulting in an unnecessary amount of rope in the water column and, as a result, may pose greater risks to marine mammals.

In addition, Clearwater has an interest in greater flexibility in gear tending requirements. Section 115.2 of the *Atlantic Fishery Regulations* requires that fixed gear be tended at least every 72 hours. Clearwater has been attempting to tend gear every at least every 360 hours (5 times the legal limit). They would have to reduce the number of traps in the water or put more boats in service in order to comply with the regulations. Clearwater has stated that more flexibility should be available in gear tending where the conservation and management objectives of this regulation can be met through other means. Clearwater (Christine Penney and Catherine Boyd) recently met with representatives from DFO Maritimes Region (the Associate Regional Director General and representatives from Fisheries Management) to discuss this issue in particular, given the recent legal issues (see item #5 below).

The Department is considering a number of amendments to regulations, including amendments to section 115.2 of the *Atlantic Fishery Regulations* related to the 72 hour gear tending regulation.

Parliamentary Secretary's Objectives

Your objective is to advise Clearwater of the need for all fisheries to comply with existing laws and regulations, but to reassure Clearwater that the Department remains committed to working with the industry to identify opportunities for regulatory amendments that will allow for flexibility and innovation in meeting both conservation and operational objectives.

Key Messages

- **The Department is committed to seeking solutions to mitigate whale and other marine mammal interactions with fishing gear.**
- **The Department encourages Clearwater Seafoods to continue to enhance its commitment to using sustainable and ecologically-friendly fishing practices to maintain its eco-certifications by the Marine Stewardship Council.**

4. Recent Clearwater Guilty Plea

An investigation of the gear tending practices of licence holder, Clearwater Seafoods Limited Partnership, commenced in November 2014 and has led to the laying of charges and successful conviction against the company related to this matter.

On September 20, 2018 CS MANPAR INC (the “company”), entity of Clearwater Seafoods Limited Partnership, plead guilty and was convicted for failure to tend their gear every 72-hours as per section 115.2 of the Atlantic Fishery Regulations. The company is required to pay a fine of \$30,000.00 within 60 days of sentencing.

Prior to taking court action there were a number of attempts made by DFO Conservation & Protection (C&P) to bring about compliance on the issue through education and awareness. On June 3, 2016 DFO C&P delivered a presentation to representatives of the company outlining that leaving fishing gear unattended for long periods of time is contrary to the Fisheries Act and its Regulations. Further to this, on August 16, 2016, a letter was issued to Christine Penney, Vice President of Sustainability and Public Affairs of the company reinforcing this statement and explaining that failure to comply could result in enforcement action.

Despite the efforts made in 2016, Fishery Officers determined that the Randell Dominaux was still acting in non-compliance and had not hauled its fishing gear from September 12-28, 2017, and from October 3-November 4, 2017. It was also learned, that during these times of non-compliance the vessel was conducting an unrelated scientific survey making it impossible to responsibly tend fishing gear.

The company made no real effort to change their fishing practices. The company went a step further by setting approximately 3800 traps back to the water in a manner which they refer to as “storage,” meaning unbaited and with escapes panels removed. The storage of unattended fishing gear is not permitted by DFO.

Clearwater holds the only licence to the offshore lobster fishery (Lobster Fishing Area 41). Inshore lobster fishers harvest lobsters adjacent to this area and are obligated and expected to land their traps if they are unable to tend their gear for an extended period.

UPDATE: Post conviction, officers are still noting concerns with the gear tending practices of the FV Randell Dominaux and have met [REDACTED]

on October 26, 2018 reiterating the requirement to comply with 115.2 of the Atlantic Fishery Regulations. At that same meeting, officers also identified compliance issues with delinquency of log submissions.

Parliamentary Secretary's Objectives

Your objective is to remind Clearwater representatives that the current regulations in respect to the tending of fishing gear remain in full force and in the absence of any regulatory amendment; they have an obligation to adjust fishing practices to comply with the existing laws and regulations.

Key Messages

- **The Department takes responsible fishing practices seriously and is committed to the conservation and protection of marine resources.**
- **Compliance with the Fisheries Act and Regulations is a requirement of all parties who wish to prosecute the fisheries. Failure to tend fishing gear for prolonged periods of time or any other breach of the Fisheries Act and Regulations could result in enforcement action.**
- **Lobster traps left un-baited and unattended still pose serious conservation concerns to many fish species as they would still be expected to catch and retain lobsters, as well as other incidental catch (e.g., cusk, crab, and cod).**
- **Fishing gear such as Lobster Traps that are left in the water unattended for long periods of time can be detrimental to many species of fish and marine animals, including the North Atlantic Right Whale, which is a species at risk.**

5. Marine Protected Areas in the Maritimes Region

The Maritimes Region has been engaging the fishing industry for several years on the development of a Marine Protected Areas (MPA) network for the Scotian Shelf bioregion. This has included discussion on the site selection, with dedicated efforts to reduce impacts on the fishing industry. The draft network design has not been released to the public and questions may arise as to its status. Discussions are still ongoing within DFO regarding the release of all the relevant MPA networks across the country.

s.19(1)

Page 7 of 11

In March 2018, two Areas of Interest were announced by DFO, including Fundian Channel-Browns Bank, a large area in the offshore, off southwest Nova Scotia (near Georges Bank). This area overlaps with some of Clearwater's lobster fishing area. Clearwater is the sole licence holder of lobster licences in Lobster Fishing Area 41, an offshore fishing area that has approximately 10% of its recent landings within or nearby the Area of Interest (AOI).

Since the announcement, there was one general industry meeting related to the AOI; however, current discussions are restricted to those with the Province of Nova Scotia and the Mi'kmaq. The MPA establishment steps include consultation through the creation of an advisory committee, evaluating all available ecological and economic information, determining the level of risk from current and future activities and a review of draft regulations. Clearwater would be invited to be involved in each of these steps. Due in part to the current hiatus in broad based consultation, it is not expected this site can contribute to the 2020 Marine Conservation Targets. Nevertheless, it could be a significant future conservation contribution in this region.

Clearwater and other industry representatives recently met with regional management (Associate Regional Director General, Regional Director, Fisheries Management and Director, Oceans Management), and the discussion included the potential impacts of a future MPA in the Fundian Channel-Browns Bank area on future fishing landings. Changes to the boundary were submitted to DFO for consideration.

Parliamentary Secretary's Objectives

- Assure Clearwater that the Department is continuing to advance the Marine Conservation Targets commitments for 2020, but recognize that considerable consultation is still required to consider particular sites for contribution.
- Note that industry engagement will be integral for the next phase in the MPA network design review (once released). Recognize Clearwater's input to date and encourage more involvement.
- Regarding Fundian Channel-Browns Bank, emphasize that we are early on in the MPA establishment process with significant discussions and analysis still to come, which will help us to more fully understand the potential impacts of this conservation initiative on the fishing industry. Encourage continued involvement and that the Department is looking for opportunities to reduce economic impacts while at the same time protecting key ecological features of the area.

Key Messages

- The Department remains committed to protecting 10% of marine and coastal areas by 2020. We are looking across the country to achieve our 10% target, including all three coasts.
- The Government of Canada is committed to the development of bioregional MPA networks. A national public release will occur once parts of the country are able to share their designs and discussions with our key partners (other federal departments, First Nations and the provinces).
- Regarding Fundian Channel-Browns Bank AOI, discussions with the Mi'kmaq of Nova Scotia, the Province of Nova Scotia, and Natural Resources Canada are the priority for engagement. In the meantime, we are proceeding with a Science peer review Canadian Science Advisory Secretariat (CSAS) process to develop an ecological overview for the site in late November (27th to 29th) 2018.

Appendix 1: Socio-economic overview of the Offshore Clam Fishery

The Arctic surf clam fishery provides important economic benefits in Atlantic Canada, particularly in the offshore harvesting sectors off of Nova Scotia (NS) and Newfoundland & Labrador (NL), as well as on shore with further processing, marketing and distribution activities. As of 2018, the commercial harvest of Arctic surf clam has occurred on Grand Bank and Banquereau Bank for about 30 years, growing from an exploratory fishery in the late 1980s into an established commercial fishery with a more formalized enterprise allocation management regime by 1995.

The fishery provides employment in both NS and eastern NL for people working on board large factory freezer trawlers, as well as additional employment with shore-based value-added processing.

Additional economic activity and employment is generated through administration, marketing and distribution of Arctic surf clam products, as well as production from incidental catch in the fishery, such as cockles and propeller clams.

Indirect economic benefits associated with the Arctic surf clam fishery result from the associated investment in technology, gear and equipment, fuel and other costs associated with harvesting. Induced economic benefits from this fishery are realized in the Atlantic region through the spending of wages in the economy by people directly employed and other related spending.

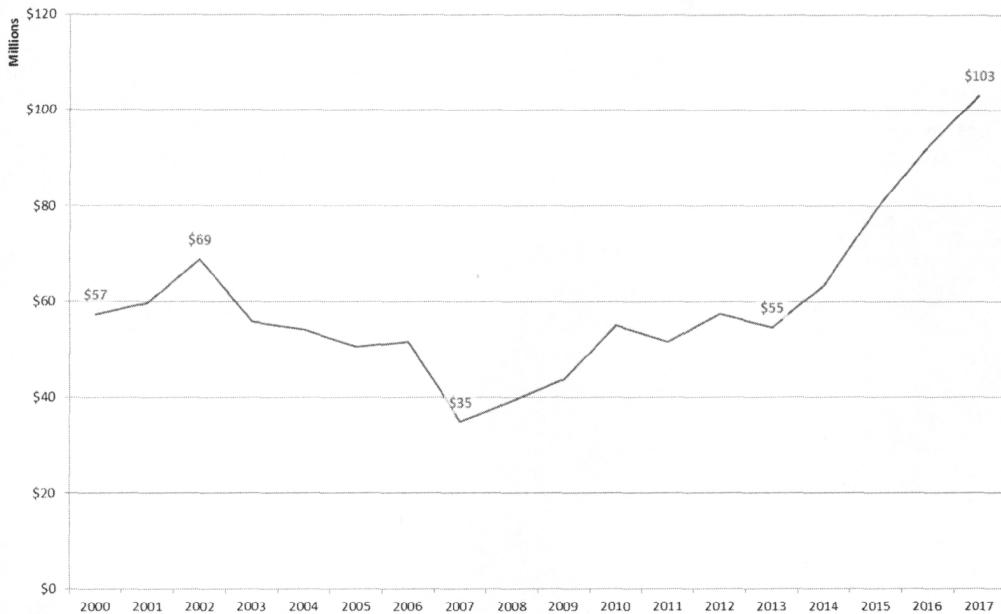
Exports

While Canadian export data does specify "Stimpson's surf clam" in species and product categories, it appears that a significant portion of product in the export data may not be labeled accurately enough to relate to this particular fishery. Therefore, the figures shown in this section relate to the export of all clam species and related product categories from all sources and fisheries. The vast majority of the clam export value is thought to relate to the offshore fishery.

The value of Canadian Atlantic clam exports¹ averaged about \$60 million during the period 2000 to 2017, reaching a high of \$103 million in 2017². Over 80% of the clam export value is frozen product.

Please see Figure 1 for Total Canadian Atlantic clam export value from 2000 to 2017.

Figure 1: Atlantic Canadian Clam Export Value, 2000-2017



China and Hong Kong have become the most important market destination by value for Canadian Atlantic clam exports. Exports to these markets rose from below \$10 million in 2007 to about \$59 million by 2017.

Exports to Japan reached a high during the period of \$36 million in 2002 before declining to about \$8 million by 2007 and then remaining relatively stable at that level through 2017. The US market has remained relatively stable over the period, averaging around \$18 million.

Please see Figure 2 for Canadian Atlantic clam export value by market destination from 2000 to 2017.

¹ Exports of clam from Newfoundland & Labrador, Nova Scotia, New Brunswick, Prince Edward Island and Quebec

² Data source: DFO Economic Analysis & Statistics

Figure 2: Canadian Atlantic Clam Export Value by Market Destination, 2000-2017

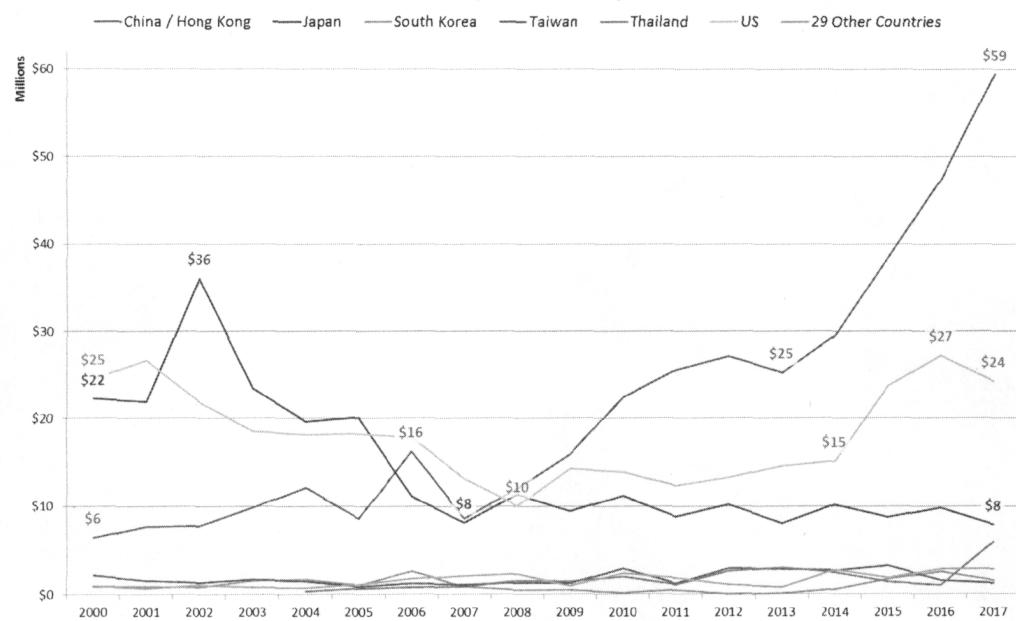
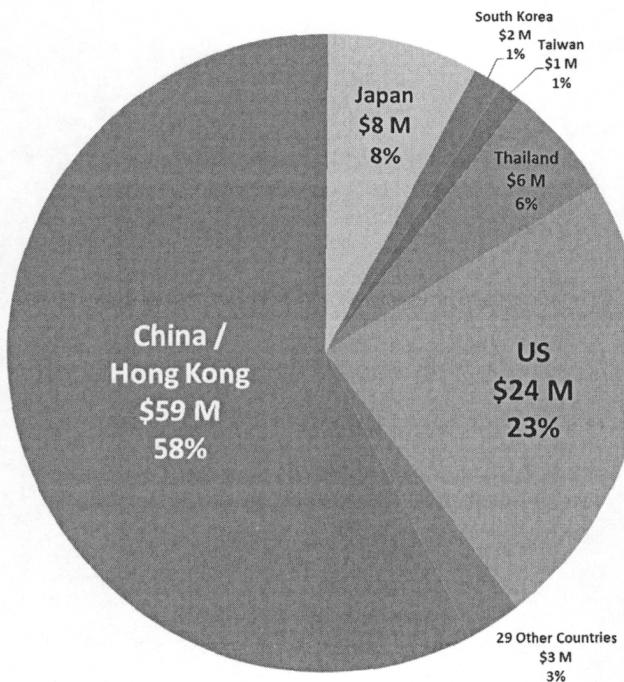


Figure 3 displays 2017 Canadian Atlantic clam export value by market destination, and shows the importance of the China and Hong Kong markets. The US and Japan were the next most important markets in 2017 with 23% and 8% respectively.

Figure 3: Atlantic Canadian Clam Export Value by Market Destination, 2000-2017





UINCLASSIFIED
GCCMS #: 2018-009-00704

To: Catherine Blewett Date:
Pour:

Object: MEETING WITH CLEARWATER SEAFOODS INCORPORATED
Objet:

From / Kerri Graham, Regional Director, Policy and Economics
De:

Via: Mary-Ellen Valkenier, Regional Director General, Maritimes Region

Additional approvals:

Autre(s) approbation(s):

Stephen Sharzer, Senior General Council, Legal Services

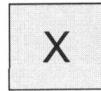
Sylvie Lapointe, Assistant Deputy Minister of Fisheries and Harbour Management



Material for the Minister Documents pour le Ministre



Your Signature
Votre signature



Information

Remarks:

Remarques:

Distribution: *Following approval:*

Mary-Ellen Valkenier, RDG Maritimes Region

Drafting Officer/ Rédacteur:

Jill Currie (902) 430-8327 / K. Graham / jc

Bilmer, Angela

From: Curlett, Karen A
Sent: November-21-18 11:07 AM
To: XNCR-Grp, DMO Correspondence & Briefing Unit
Cc: Perrier, Guillaume; Butcher, Ashley; Barker, Tyler
Subject: **Urgent** New Tasking//2018-009-00704//SN for PS Meeting with Clearwater
Attachments: RE: **Urgent** //2018-009-00704//SN for PS Meeting with Clearwater on Nov. 21, 2018; 2018-009-00704 - Legal approved SN Clearwater Nov 21 2018.pdf; 2018-009-00704 - SN Clearwater.pdf; 2018-009-00704_SN_PS_Clearwater_Nov2018 (v2).docx

Importance: High

Hello. Docket 2018-009-00704 The Parliamentary Secretary will be meeting with Clearwater (approved by ADM FHM and Legal Services – attached.

EKME:
3988896 – SN word doc.
3988897 – SN pdf.

Please let me know if you require anything further.

Karen

From: Perrier, Guillaume
Sent: Friday, November 16, 2018 12:40 PM
To: Curlett, Karen A <Karen.Curlett@dfo-mpo.gc.ca>; Rossignol, Pauline <Pauline.Rossignol@dfo-mpo.gc.ca>; Iacovitti, Michelle <Michelle.Iacovitti@dfo-mpo.gc.ca>; Kaleta, Michelle <Michelle.Kaleta@dfo-mpo.gc.ca>; Patrick, Lindsey <Lindsey.Patrick@dfo-mpo.gc.ca>
Cc: XNCR-Grp, DMO Correspondence & Briefing Unit <DMO.CBUnit@dfo-mpo.gc.ca>
Subject: **Urgent** New Tasking//2018-009-00704//SN for PS Meeting with Clearwater
Importance: High

Good morning Maritimes,

Please process the following urgent docket:

Title: Meeting with Clearwater

Deliverable: Scenario Note

Lead: MAR

Input: FHM

GCCMS #: 2018-009-00704

BF in DMO: Tuesday November 20, 2018

Instructions / Supplementary Information: The Parliamentary Secretary will be meeting with Clearwater. No agenda has been provided but please provide a SN to support this introductory meeting.

If you require an extension or clarification after consulting with your Group's program(s) and/or manager, please email DMO.CBUnit@dfo-mpo.gc.ca

Guillaume Perrier

Correspondence Officer | Agent de correspondance
Deputy Minister's Office | Cabinet de la sous-ministre
200 Kent Street, Ottawa, Ontario, K1A 0E6
Tel: (613) 993-0678
Email: Guillaume.perrier@dfo-mpo.gc.ca

From: Butcher, Ashley
Sent: November-16-18 11:30 AM
To: XNCR-Grp, DMO Correspondence & Briefing Unit
Cc: Rossignol, Pauline; Patrick, Lindsey
Subject: New Tasking: Meeting with Clearwater

Hello – please assign the following in GCCMS:

Title: Meeting with Clearwater

Deliverable: Scenario Note

Lead: MAR

Input: FHM

BF in DMO: Tuesday, November 20, 2018

Instructions / Supplementary Information: The Parliamentary Secretary will be meeting with Clearwater. No agenda has been provided but please provide a SN to support this introductory meeting.

Thanks,

Ashley Butcher
A/Departmental Assistant
947-4557



Mullen

Approved by
Mary-Ellen Valkenier
RDG Maritimes Region

Docket #: 2018-009-00704
Security Classification: UNCLASSIFIED

SCENARIO NOTE

MEETING WITH CLEARWATER SEAFOODS INCORPORATED

Overview

The purpose of the meeting is to discuss items of mutual interest between Fisheries and Oceans Canada (DFO) and Clearwater Seafoods Incorporated (Clearwater). Specifically, you may be asked to provide an update on surf clam quotas and on current regulatory challenges.

Your overall objective for the meeting is to gain a better understanding on this company and indicate recognition of the role they play in sustainable fish harvesting in Canadian waters.

Clearwater is a publicly-traded, vertically integrated Canadian corporation with subsidiaries in the United States, the United Kingdom and Argentina. Its head office is located in Bedford, Nova Scotia.

Clearwater is North America's largest vertically integrated harvester, processor and distributor of shellfish, and the largest holder of shellfish quota and licences within Canada. Key species harvested and processed by Clearwater include Canadian sea scallop, Argentine scallop, lobster, Arctic surf clam, shrimp, snow crab, and turbot.

The company was co-founded in 1976 by Colin MacDonald and John Risley. Both co-founders are members of the Board of Directors. Colin MacDonald is the Chairman of the Board and was the Chief Executive Officer (CEO) until May 2010. Ian Smith has been the CEO since that time.

Other senior executives include Teresa Fortney (Vice-President, Finance and Chief Financial Officer), Christine Penney (Vice-President, Sustainability & Public Affairs), Roy Cunningham (Vice-President, Land Based Operations), Tony Jabbour (Vice-President, Fleet Operations), and Darren Brown (Vice-President, Global Supply Chain).

Net sales for the company in 2017 were \$621 million, a 1.5% increase over 2016. Clam sales in 2017 (Arctic surf clam, propellor clam, cockles) were \$109 million, or 18% of total sales. Sales by other major species included scallops at \$200.3 million (32% of total sales), lobster at \$101.9 million (16% of total sales), and coldwater shrimp at \$78.0 million (13% of total sales).

Clearwater sources about 85% of its lobster supply through purchases from Canadian inshore harvesters.

Clearwater has 12 vessels in its fleet, including traditional and factory vessels. Over the last few years, the company has invested heavily in new factory freezer vessels for clam – the Belle

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Carnell (\$65 million in 2015) and the Anne Risley (\$70 million in 2017). Clearwater has invested in seabed mapping and utilizes multi-beam sonar to aid in efficient harvesting.

According to DFO's latest landings data, the preliminary catch for Clearwater's clam harvest operation in 2017 is [REDACTED] tonnes of surf clam, [REDACTED] tonnes of propellor clam, and [REDACTED] tonnes of cockles. With respect to surf clam landings, [REDACTED] of the company's landings were at Mulgrave, Nova Scotia, with the other [REDACTED] at Grand Bank, Newfoundland and Labrador.

s.20(1)(b)

According to Canada's Top 100 Employers 2018, Clearwater's total employment from all operations in Canada consists of approximately 1,300 employees in offices, processing plants and vessels. This includes approximately 125 employees at the clam processing facility in Grand Bank, Newfoundland and Labrador, and regular crew complements on its clam harvesting vessels (74 on the Anne Risley and 70 on the Belle Carnell).

The key issues that will be raised during the meeting are:

1. Arctic Surf Clam Licences
2. Grand Bank Surf Clam Science
3. Regulations Keeping Pace with Advancements in Fishing Technology and Practices
4. Recent Clearwater Guilty Plea
5. Marine Protected Areas in the Maritimes Region

These issues are expanded below.

1. Arctic Surf Clam Licences

Until December 2017, Clearwater held all three surf clam licences in Atlantic Canada. In terms of overall sales, the fishery generated approximately \$109 million (about 18% of Clearwater's total revenue). This fishery was assessed through the Marine Stewardship Council and has received eco-certification as a sustainably managed fishery. Current information from the company's website suggests that Clearwater employment related to the clam fishery consists of 125 at the Grand Bank plant, and a crew of approximately 150 on board the company's clam vessels.

Clearwater has consistently opposed new entrants in the Arctic surf clam fishery given the company's heavy investment in the fishery, the difficulty in opening new markets, the price sensitivity of surf clam to additional supply, and the vulnerability of surf clam to exploitation. Clearwater has met with previous Fisheries Ministers to convey this position.

In September 2017, Minister LeBlanc announced his intention to introduce a fourth licence for Arctic surf clam representing 25% of the Total Allowable Catch (TAC) for that fishery. There was an eight-week Expression of Interest process beginning September 7, 2017. Applicants were required to: be majority owned by Canadians; demonstrate an ability to comply with all the measures set out in the existing conditions of the licence; and be an Indigenous entity located in one of the four Atlantic Provinces or Quebec.

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Minister LeBlanc announced on February 21, 2018 that a new licence for Arctic surf clam would be issued to the Five Nations Clam Company. The Five Nations Clam Company was a new entity to be comprised of First Nations from Quebec, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, and New Brunswick. This entity was to partner with Premium Seafoods to harvest, process and market their catch.

In early July 2018, based on exchanges with the proponent (Five Nations Clam Company), the issuance of a fourth surf clam licence was cancelled. In August 2018, Minister Wilkinson decided that a new Expression of Interest process to identify a holder for the fourth licence for this fishery would be launched in 2019 so that the participant can begin fishing the new licence in 2020.

Parliamentary Secretary's Objectives

Your overall objective is to confirm that you remain committed to enhancing access to the Arctic surf clam fishery. This overall objective is consistent with the Government of Canada's commitment to developing a renewed relationship between Canada and Indigenous peoples and is a meaningful step towards advancing reconciliation.

Key Messages

- **The Minister of Fisheries and Oceans, the Honorable Jonathon Wilkinson, maintains the Department's commitment to selecting a new entrant to be issued a fourth licence for the offshore surf clam fishery. The new entrant would be provided with 25 percent of the Total Allowable Catch.**
- **The decision to introduce Indigenous participation in the Arctic surf clam fishery is consistent with the Government of Canada's commitment to developing a renewed relationship between Canada and Indigenous peoples.**
- **Enhancing access to the Arctic surf clam fishery broadens the distribution of benefits from this public resource, and is a powerful step toward advancing reconciliation and contributing to closing socio-economic gaps.**
- **DFO is committed to pursuing a path forward that reduces the tensions on this file, and moving ahead in a way that is fair, and meaningfully advances rights reconciliation. In this respect, we wish to take the time needed to make an effective decision that moves the surf clam file forward so that the fourth licence will be fishable in 2020.**
- **The Department is committed to open and transparent science based processes for the continued sustainable management of the Arctic surf clam stocks.**

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2. Grand Bank Surf Clam Science

In 2016, a spatial assessment model for Arctic surf clam on Banquereau Bank was developed through a departmental Science Framework meeting. The model estimates biomass and potential harvest levels for Banquereau, but there was insufficient information for Grand Bank to allow a similar modeling approach to be applied to that area.

In May 2018, DFO Science completed a stock status update via a Science Response Process for Arctic surf clam on Banquereau and Grand Bank surf clam. Secondary indicators for Grand Bank are monitored annually until a Framework and survey can be completed for that area. The 2018 Science Response showed that the secondary indicators for Grand Bank were in a positive position relative to the set thresholds, demonstrating that stock status has not changed.

DFO held an Offshore Clam Advisory Committee meeting on October 26, 2018. Clearwater, as the only current licence holder, recommended adhering to the science advice and advised that a roll-over of the Grand Bank TAC is pragmatic as there is no new biomass advice for Grand Bank. Ocean Choice International requested a review of the science advice for Grand Bank.

The Department has developed a Memorandum of Understanding (MOU), signed by both the Department and Clearwater. The MOU outlines a collaborative science plan that will be applied to both Banquereau and Grand Bank. Research under the science plan will focus on a number of areas, including: conversion factors used to convert landed product to the round weights used for quota monitoring and science, fecundity at size, spawning cycle, growth rates, and condition (weight at size).

The science plan also includes developing a stock assessment methodology for Grand Bank which will address concerns that have been raised about the current approach to Grand Bank. A new assessment methodology for Grand Bank will, as with Banquereau, rely on fishery dependent data, as that is the only data source that is continuous and on-going.

There is currently no survey planned for Grand Bank. Grand Bank was last surveyed in three parts over four years from 2006 to 2009. A survey on Grand Bank is expensive, and challenging due to the size of the area (49,473 km²), and the lack of an appropriate vessel with a hydraulic dredge with which to conduct the survey.

Parliamentary Secretary's Objectives

Your objective is to reaffirm the Department's desire to expand our understanding of the Grand Bank Arctic surf clam stock, as evidenced by the MOU.

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Key Messages

- Based on the best available information the stock status has been steady and the Department is planning research to improve our understanding of the stock.
- As per the joint DFO-Clearwater Memorandum of Understanding (MOU), the Department will continue to work collaboratively with Clearwater on the Banquereau and Grand Bank science plan.

3. Regulations Keeping Pace with Advancements in Fishing Technology and Practices

Clearwater has a significant interest in fixed gear fisheries, notably lobster, and the Department's approach to managing risks that fixed gear fisheries present to North Atlantic Right Whales and other incidental catch. The adequacy of the approach may affect access to export markets and the eligibility of fisheries to maintain eco-certification.

Clearwater has previously expressed concern about some of the regulations pursuant to the *Fisheries Act* that they believe inhibit experimentation with alternative fishing methods and technologies and the speed at which the Department has been able to modify these in order to keep pace with advancements in the industry. In particular, there is concern that the requirements under the *Fishery General Regulations* to mark both ends of fixed gear (Section 27(6)) and to mark fixed gear at the surface of the water (Section 27(2)) may be resulting in an unnecessary amount of rope in the water column and, as a result, may pose greater risks to marine mammals.

In addition, Clearwater has an interest in greater flexibility in gear tending requirements. Section 115.2 of the *Atlantic Fishery Regulations* requires that fixed gear be tended at least every 72 hours. Clearwater has been attempting to tend gear every at least every 360 hours (5 times the legal limit). They would have to reduce the number of traps in the water or put more boats in service in order to comply with the regulations. Clearwater has stated that more flexibility should be available in gear tending where the conservation and management objectives of this regulation can be met through other means. Clearwater (Christine Penney and Catherine Boyd) recently met with representatives from DFO Maritimes Region (the Associate Regional Director General and representatives from Fisheries Management) to discuss this issue in particular, given the recent legal issues (see item #5 below).

The Department is considering a number of amendments to regulations, including amendments to section 115.2 of the *Atlantic Fishery Regulations* related to the 72 hour gear tending regulation.

Parliamentary Secretary's Objectives

Your objective is to advise Clearwater of the need for all fisheries to comply with existing laws and regulations, but to reassure Clearwater that the Department remains committed to working with the industry to identify opportunities for regulatory amendments that will allow for flexibility and innovation in meeting both conservation and operational objectives.

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Key Messages

- The Department is committed to seeking solutions to mitigate whale and other marine mammal interactions with fishing gear.
- The Department encourages Clearwater Seafoods to continue to enhance its commitment to using sustainable and ecologically-friendly fishing practices to maintain its eco-certifications by the Marine Stewardship Council.

4. Recent Clearwater Guilty Plea

An investigation of the gear tending practices of licence holder, Clearwater Seafoods Limited Partnership, commenced in November 2014 and has led to the laying of charges and successful conviction against the company related to this matter.

On September 20, 2018 CS MANPAR INC (the “company”), entity of Clearwater Seafoods Limited Partnership, plead guilty and was convicted for failure to tend their gear every 72-hours as per section 115.2 of the Atlantic Fishery Regulations. The company is required to pay a fine of \$30,000.00 within 60 days of sentencing.

Prior to taking court action there were a number of attempts made by DFO Conservation & Protection (C&P) to bring about compliance on the issue through education and awareness. On June 3, 2016 DFO C&P delivered a presentation to representatives of the company outlining that leaving fishing gear unattended for long periods of time is contrary to the Fisheries Act and its Regulations. Further to this, on August 16, 2016, a letter was issued to Christine Penney, Vice President of Sustainability and Public Affairs of the company reinforcing this statement and explaining that failure to comply could result in enforcement action.

Despite the efforts made in 2016, Fishery Officers determined that the Randell Dominaux was still acting in non-compliance and had not hauled its fishing gear from September 12-28, 2017, and from October 3-November 4, 2017. It was also learned, that during these times of non-compliance the vessel was conducting an unrelated scientific survey making it impossible to responsibly tend fishing gear.

The company made no real effort to change their fishing practices. The company went a step further by setting approximately 3800 traps back to the water in a manner which they refer to as “storage,” meaning unbaited and with escapes panels removed. The storage of unattended fishing gear is not permitted by DFO.

Clearwater holds the only licence to the offshore lobster fishery (Lobster Fishing Area 41). Inshore lobster fishers harvest lobsters adjacent to this area and are obligated and expected to land their traps if they are unable to tend their gear for an extended period.

s.19(1)

UPDATE: Post conviction, officers are still noting concerns with the gear tending practices of the FV Randell Dominaux and have met [REDACTED]

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on October 26, 2018 reiterating the requirement to comply with 115.2 of the Atlantic Fishery Regulations. At that same meeting, officers also identified compliance issues with delinquency of log submissions.

Parliamentary Secretary's Objectives

Your objective is to remind Clearwater representatives that the current regulations in respect to the tending of fishing gear remain in full force and in the absence of any regulatory amendment; they have an obligation to adjust fishing practices to comply with the existing laws and regulations.

Key Messages

- **The Department takes responsible fishing practices seriously and is committed to the conservation and protection of marine resources.**
- **Compliance with the Fisheries Act and Regulations is a requirement of all parties who wish to prosecute the fisheries. Failure to tend fishing gear for prolonged periods of time or any other breach of the Fisheries Act and Regulations could result in enforcement action.**
- **Lobster traps left un-baited and unattended still pose serious conservation concerns to many fish species as they would still be expected to catch and retain lobsters, as well as other incidental catch (e.g., cusk, crab, and cod).**
- **Fishing gear such as Lobster Traps that are left in the water unattended for long periods of time can be detrimental to many species of fish and marine animals, including the North Atlantic Right Whale, which is a species at risk.**

5. Marine Protected Areas in the Maritimes Region

The Maritimes Region has been engaging the fishing industry for several years on the development of a Marine Protected Areas (MPA) network for the Scotian Shelf bioregion. This has included discussion on the site selection, with dedicated efforts to reduce impacts on the fishing industry. The draft network design has not been released to the public and questions may arise as to its status. Discussions are still ongoing within DFO regarding the release of all the relevant MPA networks across the country.

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In March 2018, two Areas of Interest were announced by DFO, including Fundian Channel-Browns Bank, a large area in the offshore, off southwest Nova Scotia (near Georges Bank). This area overlaps with some of Clearwater's lobster fishing area. Clearwater is the sole licence holder of lobster licences in Lobster Fishing Area 41, an offshore fishing area that has approximately 10% of its recent landings within or nearby the Area of Interest (AOI).

Since the announcement, there was one general industry meeting related to the AOI; however, current discussions are restricted to those with the Province of Nova Scotia and the Mi'kmaq. The MPA establishment steps include consultation through the creation of an advisory committee, evaluating all available ecological and economic information, determining the level of risk from current and future activities and a review of draft regulations. Clearwater would be invited to be involved in each of these steps. Due in part to the current hiatus in broad based consultation, it is not expected this site can contribute to the 2020 Marine Conservation Targets. Nevertheless, it could be a significant future conservation contribution in this region.

Clearwater and other industry representatives recently met with regional management (Associate Regional Director General, Regional Director, Fisheries Management and Director, Oceans Management), and the discussion included the potential impacts of a future MPA in the Fundian Channel-Browns Bank area on future fishing landings. Changes to the boundary were submitted to DFO for consideration.

Parliamentary Secretary's Objectives

- Assure Clearwater that the Department is continuing to advance the Marine Conservation Targets commitments for 2020, but recognize that considerable consultation is still required to consider particular sites for contribution.
- Note that industry engagement will be integral for the next phase in the MPA network design review (once released). Recognize Clearwater's input to date and encourage more involvement.
- Regarding Fundian Channel-Browns Bank, emphasize that we are early on in the MPA establishment process with significant discussions and analysis still to come, which will help us to more fully understand the potential impacts of this conservation initiative on the fishing industry. Encourage continued involvement and that the Department is looking for opportunities to reduce economic impacts while at the same time protecting key ecological features of the area.

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Key Messages

- The Department remains committed to protecting 10% of marine and coastal areas by 2020. We are looking across the country to achieve our 10% target, including all three coasts.
- The Government of Canada is committed to the development of bioregional MPA networks. A national public release will occur once parts of the country are able to share their designs and discussions with our key partners (other federal departments, First Nations and the provinces).
- Regarding Fundian Channel-Browns Bank AOI, discussions with the Mi'kmaq of Nova Scotia, the Province of Nova Scotia, and Natural Resources Canada are the priority for engagement. In the meantime, we are proceeding with a Science peer review Canadian Science Advisory Secretariat (CSAS) process to develop an ecological overview for the site in late November (27th to 29th) 2018.

Appendix 1: Socio-economic overview of the Offshore Clam Fishery

The Arctic surf clam fishery provides important economic benefits in Atlantic Canada, particularly in the offshore harvesting sectors off of Nova Scotia (NS) and Newfoundland & Labrador (NL), as well as on shore with further processing, marketing and distribution activities. As of 2018, the commercial harvest of Arctic surf clam has occurred on Grand Bank and Banquereau Bank for about 30 years, growing from an exploratory fishery in the late 1980s into an established commercial fishery with a more formalized enterprise allocation management regime by 1995.

The fishery provides employment in both NS and eastern NL for people working on board large factory freezer trawlers, as well as additional employment with shore-based value-added processing.

Additional economic activity and employment is generated through administration, marketing and distribution of Arctic surf clam products, as well as production from incidental catch in the fishery, such as cockles and propeller clams.

Indirect economic benefits associated with the Arctic surf clam fishery result from the associated investment in technology, gear and equipment, fuel and other costs associated with harvesting. Induced economic benefits from this fishery are realized in the Atlantic region through the spending of wages in the economy by people directly employed and other related spending.

Exports

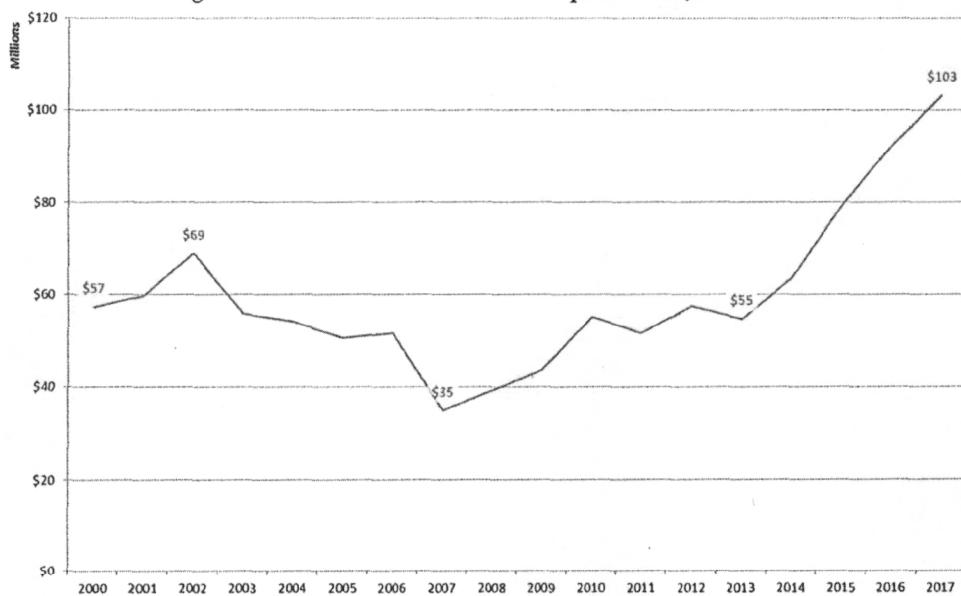
While Canadian export data does specify "Stimpson's surf clam" in species and product categories, it appears that a significant portion of product in the export data may not be labeled accurately enough to relate to this particular fishery. Therefore, the figures shown in this section relate to the export of all clam species and related product categories from all sources and fisheries. The vast majority of the clam export value is thought to relate to the offshore fishery.

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The value of Canadian Atlantic clam exports¹ averaged about \$60 million during the period 2000 to 2017, reaching a high of \$103 million in 2017². Over 80% of the clam export value is frozen product.

Please see Figure 1 for Total Canadian Atlantic clam export value from 2000 to 2017.

Figure 1: Atlantic Canadian Clam Export Value, 2000-2017



China and Hong Kong have become the most important market destination by value for Canadian Atlantic clam exports. Exports to these markets rose from below \$10 million in 2007 to about \$59 million by 2017.

Exports to Japan reached a high during the period of \$36 million in 2002 before declining to about \$8 million by 2007 and then remaining relatively stable at that level through 2017. The US market has remained relatively stable over the period, averaging around \$18 million.

Please see Figure 2 for Canadian Atlantic clam export value by market destination from 2000 to 2017.

¹ Exports of clam from Newfoundland & Labrador, Nova Scotia, New Brunswick, Prince Edward Island and Quebec

² Data source: DFO Economic Analysis & Statistics

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Figure 2: Canadian Atlantic Clam Export Value by Market Destination, 2000-2017

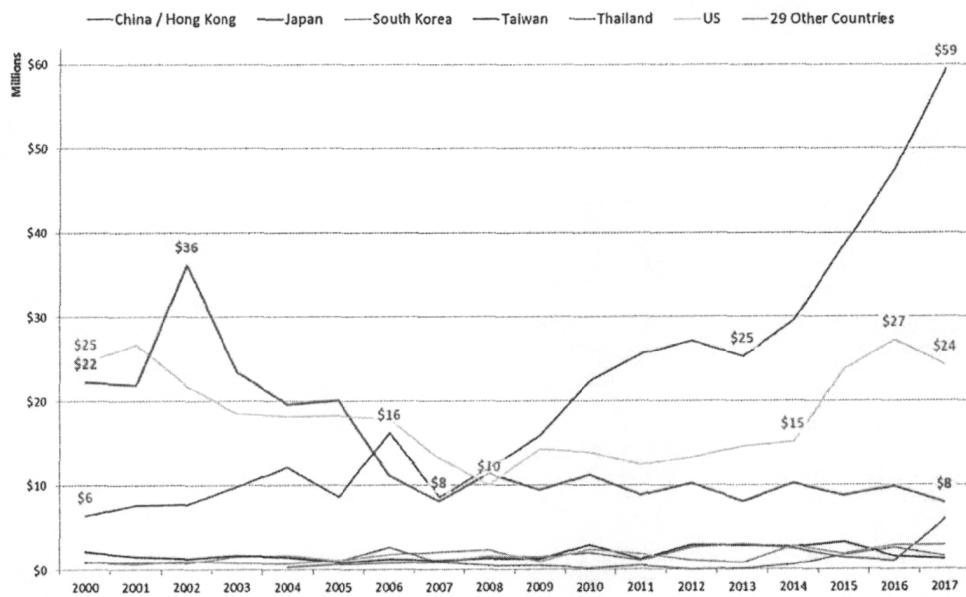
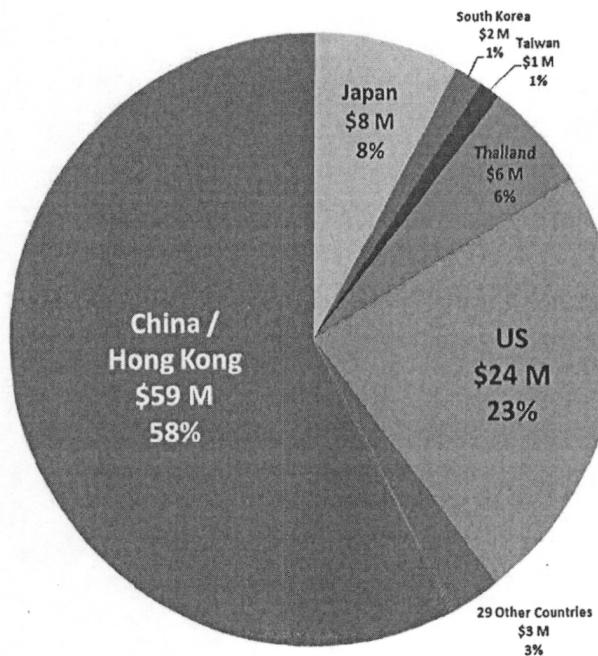


Figure 3 displays 2017 Canadian Atlantic clam export value by market destination, and shows the importance of the China and Hong Kong markets. The US and Japan were the next most important markets in 2017 with 23% and 8% respectively.

Figure 3: Atlantic Canadian Clam Export Value by Market Destination, 2000-2017





Fisheries and Oceans Canada
Correspondence Routing Slip

Fiche d'acheminement de correspondance
Pêches et Océans Canada

UINCLASSIFIED
GCCMS #: 2018-009-00704

To: Catherine Blewett
Pour: Date:

Object: **MEETING WITH CLEARWATER SEAFOODS INCORPORATED**
Objet:

From / De: Kerri Graham, Regional Director, Policy and Economics *K. Graham*

Via: Mary-Ellen Valkenier, Regional Director General, Maritimes Region *M. Valkenier*

Additional approvals:

Autre(s) approbation(s):

Stephen Sharzer, Senior General Council, Legal Services

Sylvie Lapointe, Assistant Deputy Minister of Fisheries and Harbour Management

NOV 20 2018

NOV 20 2018

Material for the Minister
Documents pour le Ministre

Your Signature
Votre signature

Information

Remarks:

Remarques:

Distribution: *Following the DM approval:*
Mary-Ellen Valkenier, RDG Maritimes Region

Drafting Officer/
Rédacteur:

Jill Currie (902) 430-8327 / K. Graham / jc



Fisheries and Oceans Canada
Correspondence Routing Slip

Fiche d'acheminement de correspondance
Pêches et Océans Canada

UINCLASSIFIED
GCCMS #: 2018-009-00704

To: Catherine Blewett **Date:**

Object: MEETING WITH CLEARWATER SEAFOODS INCORPORATED
Objet:

From / Kerri Graham, Regional Director, Policy and Economics
De:

Via: Mary-Ellen Valkenier, Regional Director General, Maritimes Region

Additional approvals:

Autre(s) approbation(s):

Stephen Sharzer, Senior General Counsel and Head, Legal Services  NOV 21 2018

Sylvie Lapointe, Assistant Deputy Minister of Fisheries and Harbour Management

Material for the Minister
Documents pour le Ministre

Your Signature
Votre signature

Information

Remarks:

Remarques:

Distribution: *Following approval:*

Mary-Ellen Valkenier, RDG Maritimes Region

Drafting Officer/
Rédacteur:

Jill Currie (902) 430-8327 / K. Graham / jc

Patrick, Lindsey

From: Jackson, Ashley
Sent: Wednesday, November 21, 2018 4:15 PM
To: Lapointe, Sylvie
Subject: RE: Urgent Media Enquiry: Allnovascotia - surf clams/ATIP (deadline 3pm)

Thanks Sylvie!

From: Lapointe, Sylvie
Sent: November-21-18 4:08 PM
To: Jackson, Ashley; Pastorek, Doug; O'Brien, Jackie
Cc: Hubley, Marian; McElhone, Kathryn; Quinn, Caroline; Nesseth, Megan; MacDonald, Heidi; Stanek, Frank; Chow, Vance; Mayrand, Benoit; Eatmon, Keegan; NCR Media RCN (DFO/MPO); Saindon, Carole; Patrick, Lindsey
Subject: RE: Urgent Media Enquiry: Allnovascotia - surf clams/ATIP (deadline 3pm)

Sorry – have been in back to back meetings – yes I am ok with the response.

Sylvie

From: Jackson, Ashley
Sent: Wednesday, November 21, 2018 3:01 PM
To: Pastorek, Doug <Doug.Pastorek@dfo-mpo.gc.ca>; Lapointe, Sylvie <Sylvie.Lapointe@dfo-mpo.gc.ca>; O'Brien, Jackie <Jackie.O'Brien@dfo-mpo.gc.ca>
Cc: Hubley, Marian <Marian.Hubley@dfo-mpo.gc.ca>; McElhone, Kathryn <Kathryn.Mcelhone@dfo-mpo.gc.ca>; Quinn, Caroline <Caroline.Quinn@dfo-mpo.gc.ca>; Nesseth, Megan <Megan.Nesseth@dfo-mpo.gc.ca>; MacDonald, Heidi <Heidi.MacDonald@dfo-mpo.gc.ca>; Stanek, Frank <Frank.Stanek@dfo-mpo.gc.ca>; Chow, Vance <Vance.Chow@dfo-mpo.gc.ca>; Mayrand, Benoit <Benoit.Mayrand@dfo-mpo.gc.ca>; Eatmon, Keegan <Keegan.Eatmon@dfo-mpo.gc.ca>; NCR Media RCN (DFO/MPO) <Media.XNCR@dfo-mpo.gc.ca>; Saindon, Carole <Carole.Saindon@dfo-mpo.gc.ca>; Patrick, Lindsey <Lindsey.Patrick@dfo-mpo.gc.ca>
Subject: RE: Urgent Media Enquiry: Allnovascotia - surf clams/ATIP (deadline 3pm)

Thanks Doug. Sylvie are you ok with below? Thanks in advance AJ

From: Pastorek, Doug
Sent: November-21-18 2:21 PM
To: Jackson, Ashley; Lapointe, Sylvie; O'Brien, Jackie
Cc: Hubley, Marian; McElhone, Kathryn; Quinn, Caroline; Nesseth, Megan; MacDonald, Heidi; Stanek, Frank; Chow, Vance; Mayrand, Benoit; Eatmon, Keegan; NCR Media RCN (DFO/MPO); Saindon, Carole; Patrick, Lindsey
Subject: RE: Urgent Media Enquiry: Allnovascotia - surf clams/ATIP (deadline 3pm)

Legal Services is good with the use of the already approved media line for this purpose.

Doug

From: Jackson, Ashley
Sent: Wednesday, November 21, 2018 1:33 PM
To: Pastorek, Doug <Doug.Pastorek@dfo-mpo.gc.ca>; Lapointe, Sylvie <Sylvie.Lapointe@dfo-mpo.gc.ca>
Cc: Hubley, Marian <Marian.Hubley@dfo-mpo.gc.ca>; McElhone, Kathryn <Kathryn.Mcelhone@dfo-mpo.gc.ca>; Quinn, Caroline <Caroline.Quinn@dfo-mpo.gc.ca>; Nesseth, Megan <Megan.Nesseth@dfo-mpo.gc.ca>; MacDonald, Heidi

<Heidi.MacDonald@dfo-mpo.gc.ca>; Stanek, Frank <Frank.Stanek@dfo-mpo.gc.ca>; Chow, Vance <Vance.Chow@dfo-mpo.gc.ca>; Mayrand, Benoit <Benoit.Mayrand@dfo-mpo.gc.ca>; Eatmon, Keegan <Keegan.Eatmon@dfo-mpo.gc.ca>; NCR Media RCN (DFO/MPO) <Media.XNCR@dfo-mpo.gc.ca>; Saindon, Carole <Carole.Saindon@dfo-mpo.gc.ca>; Patrick, Lindsey <Lindsey.Patrick@dfo-mpo.gc.ca>

Subject: Urgent Media Enquiry: Allnovascotia - surf clams/ATIP (deadline 3pm)

Hello Sylvie and Doug,

Please see a previously approved media line to answer the following query on surf clam. Can you advise by 3pm whether we are ok to proceed? Thank you in advance. AJ

ISSUE: allnovascotia [REDACTED] is asking:

I'm writing a story for our edition tonight about ATIP documents relating to the surf clam license cancellation. The ATIP number is A-2108-00510/DSP. The documents show that Fisheries communications staff had prepared talking points on July 17 that would have revealed Premium and Five Nations' license was cancelled. The documents show that Five Nations was unaware of this decision nearly a week later. Chief Sock wrote to Min. Wilkinson on July 23 asking for an update on the surf clam file and pleading for movement on the licensing process.

Q1. Why were Five Nations and Premium kept in the dark about this decision?

Q2. And why did it take until Aug. 10 for the department to publicly announce the license had been cancelled? The department said in its release that day the license was cancelled in "early July."

MEDIA DEADLINE: 5pm

APPROVED BY: Previously approved.

PROPOSED RESPONSE:

As has been previously stated, based on exchanges with the proponent, the issuance of a fourth surf clam licence in 2018 was cancelled in early July and the reasons have been shared with the proponent. The approach announced on August 10 reflects time to determine how to best move forward with issuing a fourth Arctic Surf Clam licence.

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s.16(2)(c)
s.19(1)